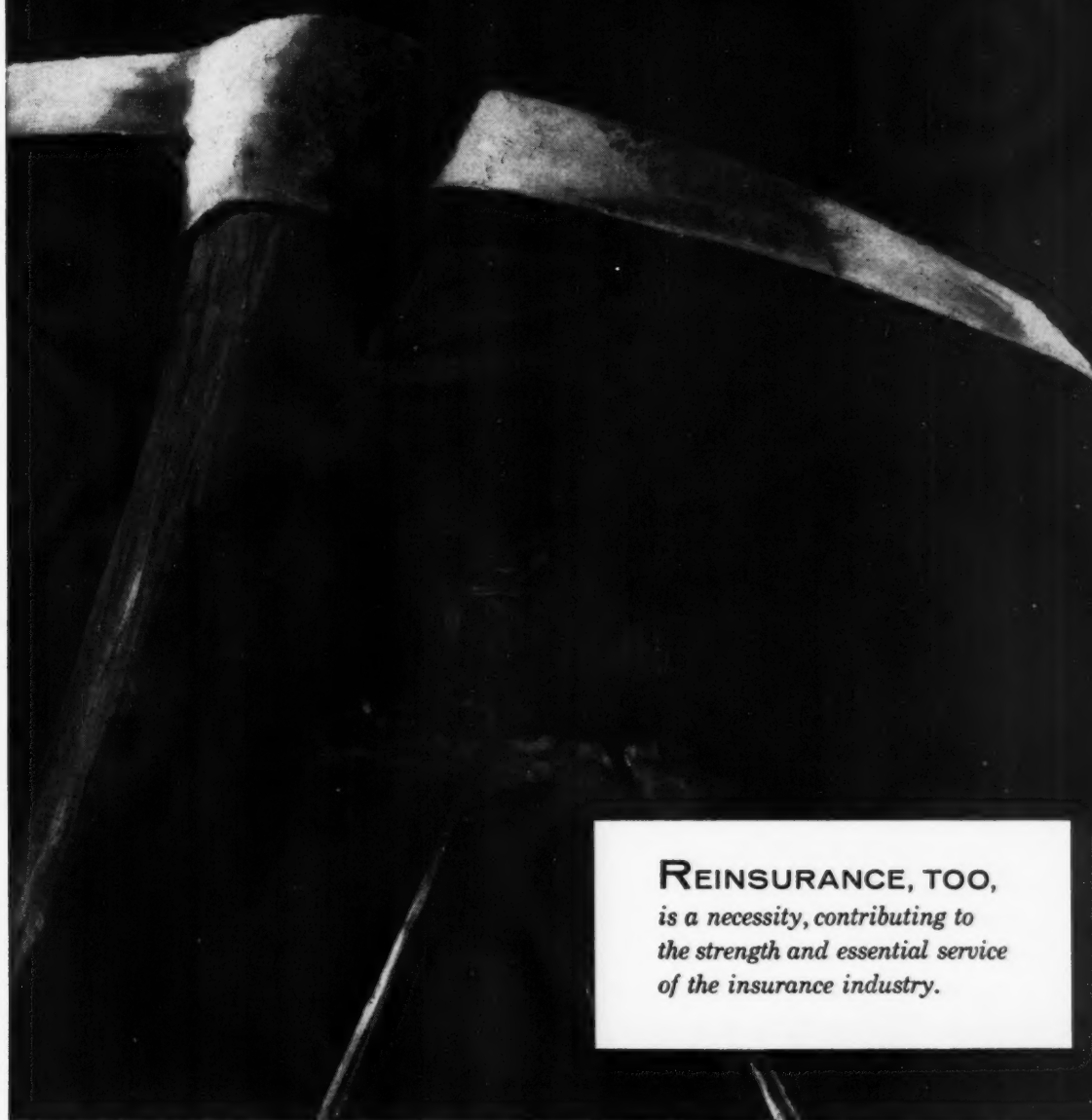


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The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 44
November 3, 1955

Conn. Agents View Teen-Age Driver Problem with Alarm

**Elect North President
at Hartford Convention;
More than 500 Attend**

By KENNETH O. FORCE

HARTFORD—Two resolutions favoring legislation to curb the untrained automobile operator who is under 21 were adopted by Connecticut Assn. of Insurance Agents at its annual convention here. Another resolution pledged support to NAIA in its effort to resolve the problem of flood insurance.

More than 500 registered for the meeting, which made it one of the largest in the group's history.

Walter E. North of Bridgeport was elected president, succeeding Valmore H. Forcier of Danielson, George W.



W. H. Wiley



Walter E. North

Haynor of Waterbury was elected vice-president, Eben Learned Jr. of Waterbury secretary-treasurer, and Paul L. Avery of Granby state national director (reelected).

H. A. Huiziuga of Stamford is the new member of the executive committee. W. Harry Wiley, executive secretary, was renamed to that post.

The teen-age driver resolutions reflected the rising concern of agents over this problem and expresses association sentiment for legislation which would permit issuance of drivers' licenses to those under 21 only if they have completed an accredited driver training course. Machinery for enforcing this would be legislation establishing a probationary license for those under 21.

(Connecticut Driver Education Assn. at its meeting in Hartford the same week was scheduled to adopt a resolution calling for compulsory driver training classes in all state high schools. The meeting featured the teen-age driver problem. Use of Aetna Casualty's Drivo-trainer in schools was discussed by William B. Cullen of Aetna Casualty.)

U. S. Sen. Bush of Greenwich, Conn., in his speech told agents that the Senate banking and currency committee was to start hearings on flood insurance in Washington this week. Hearings will be held in New York.

(CONTINUED ON PAGE 31)

JOINT GROUP MEETS

Expect Ad Code for A&H Business to Be Released Soon

Prospects are good that the proposed advertising code for the entire A&H business soon will be unveiled to the public. Representatives of the A&H business and of National Assn. of Insurance Commissioners met at Chicago Monday to discuss the code and there was sufficient alignment of viewpoints to generate optimism that no snags will develop to prevent submission of the code to NAIC at its New York City meeting the end of this month.

Pansing of Nebraska, head of the NAIC subcommittee handling the matter, presided at the meeting attended by all subcommittee members and their representatives, and there was a 100% turnout from industry quarters.

The proposed code is now before the federal trade commission for its informal consideration to help staff members crystalize their views. Parts of it also are being refined by the NAIC-industry group.

A meeting tentatively has been scheduled at Washington for Nov. 8 between subcommittee members and representatives of FTC, at which suggestions of the latter will be discussed. It is hoped that shortly after this meeting the code will be released to the public. Present plans call for a public hearing on the code at New York City Nov. 26, the Saturday preceding the NAIC midyear convention. Anyone with an interest in the code will be invited.

President Paul Watt of Washington National is chairman of the subcommittee which drafted the proposed code. One of the principles of implementation would be the requirement of its adoption by the A&H trade associations as one of their requisites of membership. On the administration and enforcement side, the code would have each company's board adopt it by resolution. Implementation in each state would be either by a special law or under a broader law providing for general supervision.

Proposals for Flood Cover Shaping Up

WASHINGTON—Hearings on flood insurance started here this week before the Senate banking and currency committee. A spokesman for the administration suggested a three year experimental insurance program. The government-aided insurance would cover real property and business inventories but not personal effects, with the limit for a single insured \$250,000 to \$300,000. Businesses, households and crops would be covered. Private insurers, agents, and adjusters would be used.

Sen. Lehman, chairman of the committee, has the draft of a bill he indicated he would introduce which proposes a federal disaster administration. This would have the aim of becoming self supporting but would be empowered to borrow from the treasury up to \$1 billion at a time to finance its operations. It would insure and reinsure against flood, tidal wave, hurricane, tornado, blizzard, duststorm, hailstorm or other severe storm, earthquake, explosion, landslide, snowslide, severe freeze, drought, smog, radioactive contamination or other air pollution or volcanic eruption.

FDA would use to maximum the facilities and services of private insurers, agents, brokers and adjustment organizations and pay reasonable compensation for such services. FDA could arrange for financial participation of private insurers in underwriting risks. Federal departments or agencies that make loans or guarantee them to lending institutions for building may require disaster cover.

Aggregate limit for any one insured is \$300,000, subject to a \$200 deductible. Total liability of FDA at any one time is \$2 million.

A separate section of the suggested bill would set up a war damage division with power to borrow up to \$10 billion from the treasury. This would insure property up to \$10 billion. Claims would be paid up to only 75% of the value of the property at time of insurance. Separate funds would be established to insure property, the risk of workmen's compensation, civil defense workers and personal risks.

Change in Top Officers of the Aetna Life Group

**Brainard to Become New
Chairman, Beers to
Be Elected President**

Morgan B. Brainard will retire next Feb. 14 as president of Aetna Life affiliated companies and will be elected to the newly created position of chairman.

Henry S. Beers, vice-president of Aetna Life will succeed Mr. Brainard as president. The two will share responsibility for the over-all policy of the group.

Mr. Brainard has been president of the group since 1922 when he succeeded the late Morgan G. Bulkeley.

The group plans to enlarge the present boards of directors of Aetna Life and Aetna Casualty to permit election of Mr. Beers as a director.

Mr. Beers, born in New Haven and a graduate of Trinity College in 1918, has been with Aetna Life since 1923. He became assistant actuary in 1924, associate actuary in 1925 and a vice-president in 1937. Lately he has been in charge of the activities of the group division under Vice-President and Actuary E. E. Cammack.

Mr. Brainard marked his 50th anniversary with Aetna Life earlier this year and next month will round out 33 years as president of the group. The companies have experienced tremendous growth under his leadership.

A grandson of the founder of Aetna Life, Eliphalet A. Bulkeley, he is the fourth man to serve as president of Aetna Life since the company was founded in 1853. Born in Hartford, he was graduated from Yale and after attending Yale law school received his LL.B. degree. In 1902 he was elected a director of Aetna Life to fill the vacancy caused by the death of his father, Leverett Brainard, and in 1905 was appointed assistant treasurer, marking the beginning of his long business association with his uncle, Gov. Morgan G. Bulkeley, whom he succeeded in 1922 as president.

In 1907 he became treasurer of Aetna Life and a director and secretary of Aetna Casualty. He later became vice-president and treasurer of Aetna Life, and when Automobile was organized in 1913 he was made a director and vice-president. He is a director of a number of local and nationally known business organizations. He is also a director of Hartford Steam Boiler, and Hartford County Mutual Fire. He is a former chairman of New York, New Haven and Hartford Railroad, and also has served as chairman of Connecticut Economic Council.



Morgan B. Brainard

Late News Bulletins . . .

Defalcations Bankrupt N. Y. Business Firm

The alleged defalcations of the treasurer of a stationery supply firm, Wingard Stationers, New York City, have bankrupted the firm. The treasurer, George Grubard, who was also a partner, took more than \$100,000 in seven years by writing checks to fictitious payees and cashing them. The checks were made out to a name which resembled the name of a company with which the stationery firm did business. Grubard, who made a salary of \$75 plus \$10 expenses per week, lived in a \$250 a month apartment and owned a 1955 Cadillac. He has been arrested and charged with grand larceny.

United Loses Second Liner in Month

A DC-6B of United Air Lines exploded in flight near Longmont, Colo., enroute from Denver to Portland, and all 44 aboard were lost. United, whose

(CONTINUED ON PAGE 36)

Nebraska Agents Elect Barker; Vote Dues Increase

Resolution Urges Study of Agency System Adjuster at State and National Level

OMAHA—George G. Barker of Omaha was elected president and re-elected state national director of Nebraska Assn. of Insurance Agents at its two-day convention here. He succeeds Charles A. Kahrhoff Jr. of Grand Island, who was named chairman of the executive committee.

The election of Arnold Cowles of Imperial as secretary-treasurer was seen as a move for even greater emphasis on improvement of the status of the smaller agent—particularly on farm business. Mr. Cowles has been active for several years in state and national association matters pertaining to rural and small lines agents.

Other officers elected were Fred Parker of Nebraska City, 1st vice-president, and Leo J. Beck Jr. of Lincoln, 2nd vice-president.

Richard C. Allgood continues as executive secretary of the association.

Most significant item of business was a complete revamping of the dues schedule. The minimum-dues figure was raised from \$15 to \$25 in line with the national trend and the maximum was increased from \$250 to \$300 for agencies writing more than a half million dollars in premium volume.

One resolution called for further study on a state and a national level of a system known as "Agency System Adjuster—A.S.A." which would set up qualified local agents as agency system adjusters to render nationwide claim service for cooperating companies. Another urged action on the part of counties for the installation of stop signs at dangerous county intersections in order to curb the rising number of rural automobile accidents and deaths.

There was no apparent difference between the 1955 convention and previous ones in the number of company hospitality rooms. The most significant feature of the 1955 convention in this regard was the reduction in the number of company men registering. The total registration figure of 420



George G. Barker



Richard C. Allgood

was slightly higher than in 1954, but the ratio of agents to company men was about 70-30 compared to 50-50 in the past. There were many company men without badges, which partially accounts for the ratio, but by and large the reason for the preponderance of agents could be ascribed to the excellence of the program.

The sessions were extremely well attended by agents and company men

(CONTINUED ON PAGE 17)

UJF Suggested as Alternative in N. Y. to Compulsory Auto

Superintendent Holz of the New York Department has submitted a memorandum of the governor which suggests an unsatisfied judgment as one of the possible alternatives to compulsory automobile insurance. It has been known for some time that Gov. Harriman's office and that of Mr. Holz have been watching closely the operation of UJF in New Jersey, and the suggested program outlined by Mr. Holz to the governor follows the structure of the New Jersey plan.

He estimated the annual cost of the fund at \$10,700,000 on the assumption that 10% of automobiles in the state are not insured for BI and PDL. The figures on automobiles involved in accidents coming under financial responsibility show that about 5% are not insured, which would make the annual UJF cost around \$5,700,000.

Mr. Holz has told the governor that compulsory should be a last resort and that he is not convinced that all the reasonable alternatives have been explored and tested.

Insurance Women of Columbus at their November meeting heard Mrs. Virginia F. Selvey, author of "And My High Tower," describe some of her experiences as an authoress.

Highlights of the Week's News

New York UM cover broadened to include corporation owned cars under stock companies' filingPage 5
NAII president offers plan for improving status of businessPage 9
PHD rates reduced substantially in IllinoisPage 8
American Re and American Reserve propose mergerPage 8
500 insurance managers hear plans for coping with commercial infidelityPage 4
Tennessee agents take realistic look at auto competitionPage 4
Connecticut panel of agents cover variety of problems average agency faces dailyPage 12
Alexander Ellis Jr. favors flood control first, then maybe insurancePage 12
Allstate appeals N. Y. fire rate ruling; wants 20% discountPage 16
NYFIRO appeals, says Allstate rate still inadequatePage 16
AMA insurance conference stresses role of the buyerPage 13
Massachusetts agents ask for broad forms in one policyPage 29
National Ins. Buyers change name to Managers; F. S. Wilson reelected presidentPage 25
Nebraska Agents elect George C. Barker; vote dues increasePage 9
700 turn out for NAII meeting in ChicagoPage 2
UJF suggested as alternative in N. Y. to compulsoryPage 2
Time for a change in-all industry rate laws, NAII is toldPage 21
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Expect ad code for A&H business to be released soonPage 1
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Change in top officers of the Aetna Life groupPage 1
NAMIA panelists outline ingredients for agency successPage 19
Presents realistic character portrait of insurance buyerPage 19
Meteorologist sees fewer hurricanes in northeast, more in FloridaPage 3
Pretty girls illustrate differences in home-owners policiesPage 27
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Aviation volume maintaining same level as in 1954Page 15
Lists plus and minus factors in evaluation of agency worthPage 15
Mutuals ponder flood, atom energy insurance at parleyPage 36

700 Turn Out for Independents' Rally at Chicago

Record Attendance Is Evidence of Growing Influence of NAII

Registration for the annual meeting of National Assn. of Independent Insurers at Chicago this week exceeded 700, a record and the strongest evidence of the progress and influence this organization has generated in its 10 years of existence. The variety of company operation, of home office location and of viewpoint make this convention a natural gathering for those who want to trade information or find out the latest wrinkle in the fire-casualty business. Some 30 state insurance departments were represented in addition to the companies.

Leo Goodwin Sr., president of Government Employees of Washington, D. C., was elected NAII president to succeed L. H. Grinstead of Beacon Mutual Indemnity.

This year's program called for more than 20 speakers during a crowded 2½ days, and social activities were not forgotten. There was a reception Monday evening and a "social hour" and banquet Tuesday. At the luncheon Tuesday the attraction was Dunninger, the mental telepathist, who made quite a hit and used as his helpers Commissioners Hunt of Oklahoma and Taylor of Oregon. One of the questions Dunninger picked out of the air came from Commissioner O'Connell of Idaho who asked "Will Moser (Henry Moser, general counsel of Allstate) get his rates reduced in Washington?"

Also at the luncheon Tuesday, L. H. Grinstead of Beacon Mutual Indemnity, outgoing president of NAII, was presented with a plaque in recognition of his services. The presentation was by C. W. Leftwich of Nationwide Mutual.

Gov. Stratton of Illinois, featured speaker at the Monday luncheon, praised the insurance industry for the work it has done in traffic safety.

"It is tragic, however, that there was no organized support—even from the insurance industry—to make sure we had an enforced speed limit in Illinois," he said. (Illinois has a prima facie speed limit of 65 mph, but a bill to provide an actual speed limit not in excess of 65 mph failed by one vote.

"I have urged manufacturers and truckers organizations to do something about traffic problems," he said, "but I hope the insurance industry will continue and increase its contributions toward controlling the most tragic killer of all—traffic accidents. All of you, with your expert knowledge of the problem and your public contacts, can become an effective force in overcoming this problem."

Some 24 commissioners flanked the governor at the speakers table as guests of honor at the luncheon. However, McCarthy of Illinois, who was listed on the program to deliver the address of welcome, was not there.

In his report as general manager of NAII, Vestal Lemmon covered considerable ground. One of his main topics was the development of threats to state regulation.

He said one of the most serious situations was the

(CONTINUED ON PAGE 29)

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INTER-REGIONAL BOOK

Meteorologist Sees Fewer Hurricanes in N. E., More in Fla.

Inter-Regional Insurance Conference has published "A study of the Tropical Hurricane along the Atlantic and Gulf Coasts of the United States" by Hurd C. Willett, professor of meteorology at Massachusetts Institute of Technology. The 63-page book is a comprehensive and factual study of the incidence of the big storms in the Atlantic and Gulf coast areas since the turn of the century. It should prove of considerable interest to insurers and reinsurers here and abroad who are concerned about the possible change in weather pattern which has brought the richly propertied northeast under the impact of destructive hurricanes with increasing frequencies since 1938.

The over-all frequency of hurricanes on the Atlantic and Gulf coasts, of all degrees of destructiveness, will probably decrease substantially during the next five to 10 years to a level that will average from 1960-1990 near or somewhat below that of the first three decades of the present century, Dr. Willett concludes. The following three decades, 1990-2020, may see a moderate increase of over-all hurricane activity, which may prove substantial particularly of destructive storms by the last decade of that period. However, he states, total hurricane incidence for the next 60 years is more likely to be lower than higher than that of the 1900-1959 period.

Another conclusion is that hurricane incidence in the four Gulf areas may be expected to recover somewhat

(CONTINUED ON PAGE 23)

Henderson Promoted in Inland Marine Unit of Fireman's Fund

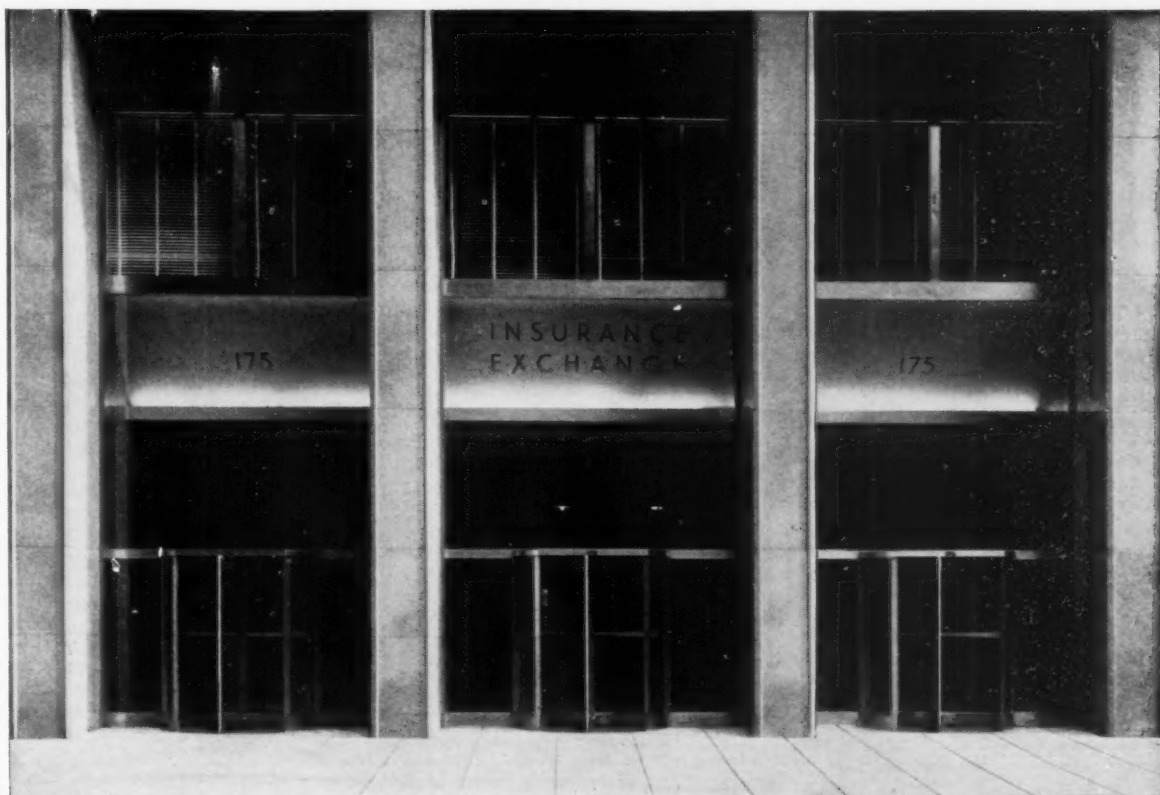
Mac W. Henderson has been named inland marine agency superintendent in the Pacific department of Fireman's Fund group. He assumes responsibility for production of inland marine lines for California (excluding San Francisco), Colorado, Wyoming, New Mexico, and he continues to supervise underwriting in this territory.

Mr. Henderson has been with Fireman's Fund since 1949. He joined the southern California department in Los Angeles as an inland marine underwriter and in 1950 was named supervising inland marine underwriter. During 1953 and 1954 he was marine state agent for Arizona. Later he was transferred to San Francisco as inland marine supervising underwriter in the Pacific department.

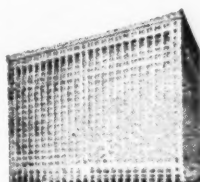
McCullough Explains Homeowners to Mariners

Roy C. McCullough, manager of Multiple Peril Insurance Rating Organization, spoke on homeowners policies at the October meeting of Mariners Club in New York City.

Mr. McCullough formerly a deputy superintendent of the New York insurance department pointed out that since Empiro was formed the homeowners policy has become very popular, chiefly because they are usually cheaper than specific insurance, the premium is easy to figure, and the name is descriptive. These factors make them easy to sell. The volume of premium written for the year 1954 was more than \$9 million, while the number of policies issued stood at 67,000, he said.



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500 Insurance Managers Hear Plans for Coping with Commercial Infidelity

A panel discussion on choosing crime coverages to meet the threat of increasing property loss through theft proved a popular session at the insurance conference of American Management Assn. last week in Chicago. At least 500 corporate insurance managers attended the session.

Ernest W. Fields, vice-president of Federal, who opened the discussion, warned that preventive safeguards have not kept pace with the increase of commercial crimes against property, particularly embezzlement of materials and merchandise.

His talk was followed by the comments of three insurance managers: Charles H. Thiele, Federate Department Stores Inc., Cincinnati; E. Dean Damon, Parke, Davis & Co., Detroit, and T. V. Murphy, Maryland Shipbuilding & Drydock Co. Baltimore.

It is generally believed, Mr. Fields said, that before 1940 the largest proportion of infidelity losses, both in terms of dollars and number of losses, involved loss of cash, including check forgery. The second World War changed that—perhaps, Mr. Fields suggested, because of the scarcity of materials and the increase in value of units of merchandise. Now, he reported, it "is believed that approximately 75% of the dollar amount of fidelity losses is represented by the embezzlement or stealing of materials and merchandise."

According to crime reports, Mr. Fields pointed out, reported crimes against property increased 5.3% in 1954 over 1953. Since 1950 such

crimes have increased 26.7%, "or almost four times as fast as the total population of the nation."

Raw materials, finished products, and scrap from manufacturing processes are the current prey of the dishonest person, according to Mr. Fields. "The thief finds it easy to dispose of these materials either to receivers who buy with knowledge that the product is 'hot' or to the buyer who is willing to buy at a reduced price without requiring evidence of title.

Because losses of merchandise are generally from large masses of such merchandise or materials and often take place over a long period of time, it is in most cases "extremely difficult to establish with reasonable accuracy the amount of such losses," Mr. Fields noted. "This situation has resulted in what is generally referred to in the trade as the inventory shortage and has been and is the cause of great difficulty both to insured and insurers."

A fidelity bond, the speaker pointed out, insures an employer against the loss of his property through the dishonest acts of employees. The employer must establish that he has a dishonest employee and that this employee has caused a loss of a given amount of property. "The mere fact that the books of an employer show a certain quantity of merchandise or materials on hand and when you go to look for them some of them are not there does not of itself establish either that such

merchandise or materials are not still in the employer's possession or that they have been stolen by an employee. A fidelity bond is not intended to balance your books or to cover mere disappearances or inventory shortages as such."

If the increase in this type of crime is to be halted, Mr. Fields declared, "there must be a close, friendly, and trustful cooperation between the prosecuting authorities, the employers, and the insurance companies. It is not my purpose or desire to urge punitive punishment or any over-rigorous policy of prosecution, but it is suggested that any trend to condoning of such crimes can only lead to increases."

Equally important, if not more so, the speaker advised, is attention "to those preventive and safeguard measures heretofore thought important only in connection with cash, checks, and securities. It is now as important to safeguard merchandise as it is the bank account." Operations of receiving, delivery, and inventory should be carefully controlled, he recommended. "If those involved will concentrate first upon a program of preventive measures and secondly upon what to do when such crimes occur, both in matters of prosecution and in investigation, this trend can be halted and perhaps reversed."

I know of no other type of business that has so many assets usually housed under one roof, subject to exposure by crime hazards as a department store, Mr. Thiele said. In fact, to those who are inclined to be dishonest, even slightly dishonest, department stores afford delightful and tempting opportunities to practice their inclinations. Needless to say, therefore, insurance is secondary to protection.

"The department store has usually set up within their own organization adequate mechanisms to control and prevent losses," Mr. Thiele said. "That these mechanisms have been successful is evident from the fact that in recent years there have been no large department store losses that I am aware of (by large I mean losses in excess of \$50,000).

"Our approach to insurance needs was to study our loss history for a number of years. We then made a management decision to assume all crime losses up to a definite amount. Our next step was to negotiate and place all risk comprehensive crime insurance in the amount of \$1,000,000 in excess of the assumption of expected losses, and covering our entire operations. Premium for this insurance re-

(CONTINUED ON PAGE 33)

Tenn. Agents Take Realistic Look at Auto Competition

At its annual convention Knoxville, Insurors of Tennessee heard a realistic discussion of competition in the private passenger automobile insurance field by a panel consisting of agent members, Rufus Ross Jr. of Columbia and W. P. Deese and Joe H. Bandy of Nashville.

Inroads of direct writers into the field were discussed without any attempt to minimize their gains, the approach of some independent writers was reviewed, and possibilities of handling the business more economically and efficiently were explored. There was no evidence of an uncon-



George L. Goss



R. H. Miles

promising opposition to any change.

None of the three panelists advocated a specific solution to the local agent's problem, but neither did any of them defend the status quo. The general tenor of the discussion was that some changes are going to have to be made, whether agreeable or not.

With respect to number of policies rather than premium amounts, Mr. Ross pointed out, the bureau companies are losing ground and the specialty companies are gaining. An agent must increase the number of his auto policies by 10% every year to stay even and there isn't an agent in Tennessee who is doing it, he declared.

The better service which the policyholder gets from his local agent can justify a price differential of 10% or maybe 15%, he said, but not the differentials which presently exist. There is only one way to keep the business on the books, let alone new business, he said. That is to reduce the price differential. "The only way that can be done is by using the specialty company methods, continuous policies, direct billing, reduction of commissions, elimination of flat cancellations and elimination of credit."

Agents object to these methods because they may spread to other lines. That is true, he admitted, but unfortunately, that is true whether local agents accept them or not. He said he would rather be on the inside where he has something to say about it than just sit by and watch his business disappear. It is true that the agency gives up more income than the company by a unilateral reduction of commission such as has been proposed, but "some

(CONTINUED ON PAGE 30)

Phillip A. DeVore and Henry W. Poellnitz have consolidated their agencies at Birmingham, Ala., under the name of DeVore & Poellnitz. P. A. DeVore Jr. will join the new organization. He has been in the property management business five years. The new agency will be a partnership composed of P. A. DeVore, Mr. Poellnitz, P. A. DeVore Jr., and Helen L. Millar.



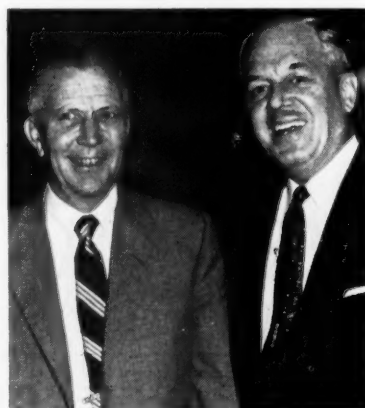
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W. H. Stevens of Fred S. James & Co., Chicago, pictured at the AMA insurance conference there with O. E. Schwartz of the National Underwriter Co.

N.Y. UM Cover to Include Corporation Owned Cars Under Stock Companies' Filing

By ELOISE WEST

NEW YORK—Superintendent Holz of New York announced that he had approved a stock company filing of an endorsement which broadens eligibility for the new uninsured motorist coverage endorsement at a meeting of Greater New York Insurance Brokers' Assn., here.

The broadened endorsement will cover cars owned by corporations but used by employees for private pleasure, those assigned by corporations to employees for use in their work and pleasure, and for individuals who do not own cars but drive cars owned by others who have purchased a named non-owner policy. There is also a supplementary endorsement in which the person who uses the corporation owned car for private pleasure can be named as insured.

This cover was described in answer to a question by F. G. Holzhauser, manager of the automobile department of Royal-Liverpool, during a panel discussion of UM coverage conducted by the brokers' group.

Joseph P. Craugh, vice-president of Utica Mutual, said that the mutual companies are about to file a similar plan to clear up the question of corporate owned automobiles.

Mr. Holz declared that the department and the insurers, working together, have just started and before another six months goes by every New York resident will be insured against uninsured motorists.

Differences of philosophies between stock and mutual companies brought about the two forms of UM coverage, R. Newell Lusby, secretary of America Fore group, said. In many respects the forms are identical, but they differ in two ways. In the mutual company form (he referred to the form in this way although he admitted some mutual companies are writing the stock company form) the companies state their intention to pay insured without reference to the fault of either driver in an accident. They also differ in the disposition of disputes; the mutuals use an appraisal clause and the stock companies have an arbitration clause.

He explained the history of the development of the coverage and said never has he seen senior insurance executives devote their capabilities in such a way to a problem of this kind. He said the superintendent didn't expect the entire problem of the uninsured motorist to be solved by the insurance group, the objective was a form of protection to minimize the economic risk.

There are those who have written editorially, Mr. Lusby said, about the UM coverage and have brought about confusions which should not have been brought about. The UM coverage is not a solution to any problem, they are a major step forward toward solving the problem, he said. If nothing else has been accomplished by the committee that worked on the new coverage, it has been proved that if men of good will and intentions work together they can come up with results for the good of all, he said.

Mr. Craugh explained that the mutuals came up with a coverage that was different from that of the stock companies because from the beginning they had certain misgivings about the cover. They were not predisposed to cast an additional burden on insured motorist by requiring him to settle

the differences that would arise after an accident between insured, uninsured and insurer. They sought a means of eliminating the differences which would arise over legal liability, he said, and decided to place the coverage on a regardless-of-fault basis. A similar procedure is followed in the

medical payments program, he said.

The mutual companies also were concerned about referring differences to arbitration. They believed that if and when the cover is extended throughout the nation, it would make too much of a burden on insured to have to find an arbitration board in the area in which he had the accident. The way they solved this problem was to provide for the motorist to go to his own appraiser.

Mr. Craugh also agreed that the UM coverage is not the complete an-

swer to the problem of the uninsured motorist. He pointed out that there are more than 1 million non-auto owners in New York.

A wide gap still remains to be closed, he said. "Personally, I feel if it is a privilege to drive a car, every motorist should be required to prove financial responsibility. I don't advocate compulsory of the Massachusetts type, but New York should require financial responsibility up to the limits of the FR law," he said.

The mutual group is not trying to
(CONTINUED ON PAGE 34)



Odor Control Is A Profit Builder!

How Airkem rescued millions of cookies

Fire in a plant of one of the world's largest baked goods manufacturers doomed \$400,000 worth of cookies. Shipping cartons costing \$40,000 were contaminated by the heavy smoke and left unusable. Management found that another supply of cartons was unavailable for several months and was faced with prolonged business interruption and heavy losses in product sales. Airkem Smoke Odor Service, however, quickly and completely killed the odors in the irreplaceable cartons. Millions of fresh-baked cookies, cakes and candies were shipped without loss. No smoke odor losses were suffered, nor was business interrupted. Cost of this service was slightly more than \$1,000!

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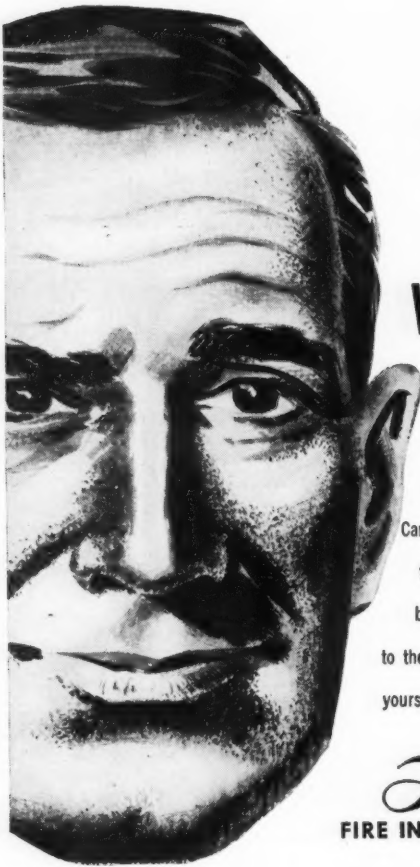
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Mavon to Give Extra 10% to Agents Who Attend Ill. Meeting

G. A. Mavon & Co. of Chicago is offering 10% extra commissions on new business to its producers who attend the annual meeting of Illinois Assn. of Insurance Agents, Nov. 27-29, at Chicago. The Mavon organization is providing the extra dollars out of its own pocket during the months of November and December. The contest applies to producers anywhere in the state.

According to Phil G. Mavon, president, the offer is being made to induce more producers to support and join the Illinois association. Mr. Mavon comments, "We feel that an extra 10% on new business should provide incentive to attend by helping the producer pay for the valuable meeting or for his dues or for any other purpose he chooses."

The producer will qualify for the extra commission upon proof of registration at the convention. When he pays his November and December accounts, he will take the 10% additional commission and his list of inceptions will be checked against Mavon's records.

The additional commission does not apply to liquor liability or workmen's compensation.

Study 17% Hike in Auto BI Rates in Okla.

Oklahoma insurance board has taken under advisement a requested 17.8% increase in automobile liability rates following a public hearing at Oklahoma City.

The increase, requested by National Bureau of Casualty Underwriters, resulted in a strong protest from Seminole county. The filing asked that drivers in that county be jumped from the lowest rate level to a level with Oklahoma City and Tulsa.

The bureau lost in March a bid to win an 18.6% increase and initiate the 7-class plan. The proposal was called the "discriminatory."

Greater Buffalo Assn. of Insurance Agents presented a check for \$250 to Miss Madge Taggart, city judge of Buffalo, to pay her expenses at the traffic court conference at Northwestern university law school.

To Honor Johnson of N. J. Department; McNicholas Successor

After 44 years with the New Jersey insurance department, Benjamin B. Johnson, deputy commissioner, is retiring. Commissioner Charles R. Howell was chairman of a general committee arranging for a testimonial dinner for Mr. Johnson which was held in Trenton.

The affair drew together a great many leaders in the insurance business because of Mr. Johnson's wide acquaintance and because of the high regard and respect in which he is held. There were several brief, testimonial talks by members of the business, among them one by B. C. Vitt, president of American, who spoke for the fire and casualty business and one by Harry G. Mather of Trenton, president of New Jersey Assn. of Insurance agents, who spoke for agents.

Mr. Johnson entered the insurance department at Trenton as a clerk in 1911. After service in the army in world war I he rejoined the department as chief clerk in 1919. In 1926 he was made assistant deputy, in 1943 special assistant deputy and chief of the rating section, and in 1951 deputy commissioner in charge of the insurance division.

Commissioner Howell has appointed Timothy A. McNicholas, chief examiner and special assistant deputy commissioner of insurance company liquidations to succeed Mr. Johnson.

Mr. McNicholas joined the department in 1926 as assistant chief examiner and was appointed chief examiner in 1943. Before entering the department he spent several years in the public accountants field specializing in financial institutions.

Cal. Buyers Hear Glass

About 50 members attended the October meeting of northern California chapter of National Insurance Buyers Assn. at San Francisco, at which the principal speaker was David Glass, superintendent of protection and engineering of Fireman's Fund group, who talked on insuring multiple locations. Commissioner McConnell of California gave an informal talk in which he reviewed some of the recent broadening of coverages in the state.

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Panelists at AMA Insurance Parley Explain Good and Bad of Their Jobs

Panelists at a well-attended afternoon session last week of the insurance conference of American Management Assn. in Chicago outlined duties and opportunities of their job as insurance managers and explored ways of increasing the stature of their profession.

It was brought out at a question period following the panel talks that insurance managers sometimes are "kept in the dark" about certain company operations about which they should be informed because of an insurance standpoint.

As an example, it was cited that a certain big corporation bought an airplane, an important insurable piece of equipment, and the insurance manager didn't find out about it until the last minute.

"If we're going to increase the stature of our jobs," a panelist warned, "we've got to do a little leading and we've got to influence management's policy toward insurance."

Insurance managers participating in the panel were: Edwin T. Berquist of Pure Oil Co., Chicago; James C. Cristy of Upjohn Co., Kalamazoo, Mich.; Casimir Z. Greenley of International Minerals & Chemical Corp., Chicago, and Joe T. Parrett of Carnation Co., Los Angeles.

The insurance manager who wants to be more than a policy renewal clerk, more than the broker's and insurer's errand boy; the manager who wants to establish and raise the professional status of the corporate insurance administrator in the business and in the company for which he works must operate in a manner to justify the advancement, Mr. Parrett said.

His company has no written or stated policy. A stated policy to be workable must be so broad that it doesn't mean much. If it is too definite, it doesn't leave room for the exercise of judgment by the insurance manager. To build his stature requires the opportunity to exercise judgment and assume responsibility which will in itself be a step toward recognition. The real and worthwhile challenge is to create an insurance philosophy rather than a statement of policy.

He urged buyers to do a better job of letting management know what they were doing and how they do it, to do a little more leading and a little less following.

Mr. Christy said Upjohn Co. has no formal description of the insurance manager's job. It is agreed that his first responsibility is to execute corporate policy with respect to assumption and insurance of risk. He is also responsible for the financial and technical aspects of employee insurance and for the administration of retirement plans.

The Upjohn insurance manager has recommended, and the treasurer and the chief executive have approved, a general rule for deciding which risks are significant enough to be insured. The interpretation of this rule is left to the insurance manager, subject to review by the treasurer, but the rule and its application are reviewed each year with the chief executive.

The rule calls for small risks being assumed by Upjohn and only the large ones being transferred to insurers.

The company used to assume the risk of loss to merchandise consigned to agents because the risk was well-

spread geographically and the maximum loss at one time could not exceed \$3,000 or \$4,000. Likewise insurance on plate glass had been discontinued. But films, projectors and cameras were still being insured though the largest single off-premises exposure was never more than \$600. Advertising exhibits sent around the country to medical meetings were being insured while away from company property though the most expensive exhibit could be replaced for \$2,500. The company insured some houses on land acquired for industrial purposes. The rental income was not important and everyone agreed the houses would never be replaced if destroyed by fire.

Six years ago the rule started at \$2,500. That is, in general, risks below \$2,500 were assumed and risks above

\$2,500 were insured. During the six years the rule has been changed twice and now stands at \$25,000, he said.

The insurance manager is a specialist and should know insurance better than anyone else in his company, Mr. Cristy commented. He can take part in major insurance decisions by recommending needed changes and backing up his recommendations with sound reasoning. Top management is ultimately responsible to the owners on all

(CONTINUED ON PAGE 22)

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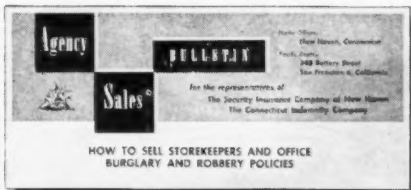
Sales and Promotion Plan

A new issue of Security-Connecticut's Agency Sales Bulletin contains a complete selling plan with many valuable tips on this newly revised policy for which there are hundreds of good prospects in the average community. The Bulletin has special selling tips that help make this contract easy to sell. There's a new, attractive, three-color folder that can be used not only for pre-call mailings, but also in the interview to help you make the contract crystal-clear to your prospects. There's a suggested letter to prospects that will help you get more, and more favorable, interviews. There's a table that will help you judge how many prospects there are in your community, both for the storekeepers policy, and the corresponding office policy, largely for professional men. If you follow the plan suggested in this new Bulletin, you'll not only sell these policies, but you'll discover good prospects for many other lines, personal and commercial.

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PHD Rates Reduced Substantially in Ill.

Rates and rules have been revised in Illinois by the National Automobile Underwriters Assn., effective Nov. 1. The reduction in rates will amount to about \$4 million.

Private passenger \$50 deductible collision premiums are reduced 7%, with no change in a few territories and reductions as high as 25% in others. The \$100 deductible is reduced an average 9%, with a maximum of 26%. All collision rates are reduced for private passenger automobiles if there are no drivers under 25 and there is no business use.

The comprehensive rates are reduced 5% in Joliet, Rockford and Decatur and 9½% in Chicago suburban territory. However, these revisions apply only to certain types of automobiles and are confined to specific age groups.

Commercial local hauling fire, theft and comprehensive rates are reduced 4% and collision 13%.

Commercial intermediate and long distance hauling fire, theft, and comprehensive rates are reduced 14½% and collision 8%.

Am. General of Minn. Changes Name to American Reliable

American General of Minnesota has changed its name to American Reliable. The company is embarking on an expansion program and made the change in title in order to avoid a conflict with American General of Texas.

American Reliable is now operating in six states, having been licensed recently in North Dakota and Alabama.

Western Loss Men Elect D. S. Lightfoot

New officers elected at the annual meeting of Western Loss Assn. last month at Chicago are: President, D. S. Lightfoot, Springfield F. & M. group; vice-president, L. H. Bowers, Fireman's Fund, and secretary-treasurer, A. M. Devroye, Millers National. The outgoing president is Axel Nelson of America Fore.

N. H. Agents Endorse N. Y. UM Coverage

The executive committee of New Hampshire Assn. of Insurance Agents has unanimously endorsed the uninsured motorist coverage being written in New York.

Complying with the vote of the executive committee, the association has requested the New Hampshire insurance department to secure this coverage for New Hampshire. The department is currently making a study of the New York plan.

Boston APCU Correction

Boston Assn. of Property & Casualty Underwriters was erroneously identified in the Oct. 27 issue as Boston CPCU. This group is not part of CPCU.

Preferred Mutual Enters W. Va.

Preferred Mutual Fire of New Berlin, N.Y., has been licensed in West Virginia where it will operate at a uniform deviation of 15%. The state will be under the jurisdiction of Carl R. Siegrist.

Approval has also been received for a 15% deviation in Maryland where the company formerly wrote at full rates with dividends at expiration.

American Re and American Reserve Propose Merger

Directors of American Re and its subsidiary American Reserve have approved a plan for merger, to be voted on by stockholders Dec. 5. If approved by stockholders and the insurance department, the merger, under the name of American Reinsurance Co., will become effective Dec. 31.

The few remaining stockholders of American Reserve will receive cash for their shares. Capital of American Re will remain unchanged and there will be no changes in personnel.

The combination will give the multiple line American Re assets of about \$80 million and capital and surplus of more than \$25 million.

Home Transfers Grady to Chicago

Home has transferred Vice-president and Secretary L. Vaughan Grady from New York to Chicago, effective Jan. 1. He was in charge of casualty for Home Indemnity several years. Mr. Grady will succeed Vice-president R. E. Minner, recently transferred to the home office.

Midland National Increases Surplus

A contribution to surplus of Midland National of Chicago in the amount of \$100,000 was made by the stockholders Sept. 14. As of Sept. 30, the company has capital of \$300,000 and surplus to policyholders of \$624,313.

Midland National was organized in November of 1953 and was formerly known as Exchange Ins. Co. The officers are: President, Kurt Hitke; vice-presidents, W. K. O'Connor and J. H. Kolkmeier; secretary, Robert L. Dahme, and treasurer, Robert K. Hitke.

The company last week was licensed in Georgia and has applications pending in additional states.

Insurer Ties Up Builder's Assets

United Pacific has obtained a court order freezing all assets of R. E. Dunn & Co., Nashville general contractor, to conserve their interest in performance bond coverage on about 10 construction projects the contractor says cannot be completed. About \$750,000 is involved in the incomplete work with the insurer facing a possible loss of \$200,000 with a possible recovery of \$70,000 from assets of the contractor. Mr. Dunn died of poisoning at a New Orleans night club in 1950.

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NAI President Offers Plan for Improving Status of the Business

L. H. Grinstead, president of Beacon Mutual Indemnity and retiring president of National Assn. of Independent Insurers, in his address at the NAI meeting this week in Chicago suggested a three-way program for the association and for the industry covering social-public relations, consumer desires and dislikes, and company self-regulation.



L. H. Grinstead

Before presenting his program, Mr. Grinstead went over thoroughly the reasons why it is needed. He discussed the social aspect of insurance and its public relations from that standpoint, explaining that the business has gotten itself in a position with the public where it is the philosophy of the policyholder that insurance is a dead loss if the premium, as a minimum, cannot be recovered, and that this is a right and duty of an insured. He took up regulation from the aspect of protection of the public and its accompanying legislation, including efforts to enact valued policy laws, comparative negligence rule, direct action against insurers, repeal of guest statutes, removal of wrongful death limits, and the idea of imposing the payment-regardless-of-fault as a substitute for determination of liability. In the regulatory area, he added, bills are being introduced to control company operations and there is a trend in the departments to enter intimately into the management and operations of insurers. The public is interested in the expense of insurance and the reasons for it, and the government has made inroads through its own insurance programs.

Mr. Grinstead said his program is designed to acquaint the industry with its responsibilities and possibilities and to set up a basis for self regulation.

He recommended: That the stake of society in insurance be recognized, and that as a social industry most of the insurance problems, including legislation, arise from this fact. Social thinking, therefore, will bear watching in forecasting the pattern the industry will follow.

That an insurance buyer analysis be made to find out what the public wants and what the complaints are. Some companies, some magazines, and some universities have done work here, but to be effective this should be an industry or at least an association project.

That an administrative framework for self-policing be set up that would include regulatory officials in the industry if they want to be represented. NAI should lead the way, he said, by setting up a code for its members and subscribers.

The general impression is that the public wants protection against automobile loss regardless of fault or regardless of whether the other party is insured, ignoring the age or the condition of any driver who can get a license and that a package policy providing all or most of these coverages

would be popular. Mr. Grinstead said this may be true, but the business does not know. These impressions may come from a vocal minority rather than a majority demand. There is no way of knowing what price the buyers are willing to pay for what they seem to want. Many companies have a feeling that the average buyer thinks compulsory will answer the uninsured motorist problem, but it is not known whether this is a conviction or an opinion. How does the public look upon impoundments, unsatisfied judgment funds or the new unsatisfied claims

coverage?

Mr. Grinstead noted that consumer studies have led the way in such diverse fields as automobile design and department store operations, and similar studies should be equally productive in insurance.

A close contact between the industry and the public must be developed, he asserted. Such an idea is generally accepted, but there is little effective work being done. The business is slow to publicize its ideas even to its own employees. Hardly anything is said

about the efforts to speed up adjustments in court procedures, about the reasons for rate changes, new coverages, or bias news reports. The public service of assigned risk plans is known to few except those who come in contact with them. Further, Mr. Grinstead pointed out, many of the efforts to tell the public of such developments are so full of insurance jargon that many readers are more confused than informed.

Although a few companies have reasonably effective public relation

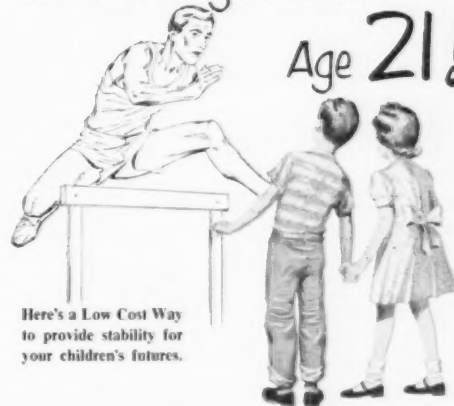
(CONTINUED ON PAGE 28)



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Allstate Quits Conn. Fire Certificates

At a hearing held by Commissioner Spellacy of Connecticut Allstate agreed to discontinue use of its present fire insurance extension certificates in that state. Such certificates, Mr. Spellacy said, are permitted by law, but the effectiveness of those in use by Allstate were conditioned upon the payment of the premium and required no cancellation notice to either policyholder or mortgagee if the premium had not been paid. In that respect those certificates, in the opinion of the commissioner, do not conform with the requirements of Connecticut's statutory fire insurance policy.

At the hearing disapproval of some of the questions and declarations in Allstate's automobile application forms and automobile insurance policy forms was discussed. One declaration, pertaining to any prior cancellation of automobile policies by any insurer or refusal to issue a policy, applies not only to the applicant but to all members of his household. Another deals with suspension, revocation or refusal of a driver's license and also applies to the applicant and all members of his household.

The objectionable features of these declarations, according to the commissioner, are that in the automobile application form, there is time limit during which a policy may have been canceled or refused by any insurer and no time limit during which a driver's license may have been suspended, revoked or refused, and the inclusion of the members of the applicant's household in the application form and the policy form.

Conceivably, Mr. Spellacy said, there might be four or five members of a household, each operating an automobile and unknown to each other, a policy may have been refused or canceled by an insurer on one of those members, and the absence of time limitation on both questions in the application form is particularly hazardous from the applicant's point of view. He said these applications often are hurriedly prepared by the agent, who is expected to check the correct answer, and with an incorrect statement in either the application or the policy, a car owner could be left without protection at the time of an accident.

At the conclusion of the hearing the company asked the opportunity to be heard again on the auto questions. The request was granted. Mr. Spellacy, however, urged all policyholders carefully to examine their policies or binding receipts to make certain that all statements are correct.

Four Insurers Get U. S. Tax Unit Bonds

Four companies and one agency have been awarded contracts to furnish surety bonds to cover internal revenue service employees during the year beginning Nov. 1. Total premiums are \$32,236. Manufacturers Casualty got the largest share of the business, with premiums of \$15,167. Lumbermens Mutual Casualty's award amounted to \$7,140 in premiums, Henry Hughes Co. of New York City, representing Manufacturers Casualty, \$5,892, Ohio Casualty, \$2,632, and American Casualty, \$1,403.

Bidders were allowed to elect to bid on any or all items if they were licensed to do business in the locality in which the coverage will exist. Position schedule bonds were placed on each individual regional office and the national office. The blanket position bonds were written on district offices.

Under the combined district blanket position bond, additional indemnity endorsements for \$20,000 are included on each district director and assistant and chiefs and assistant chiefs of the collection division, cashier's branch, the delinquent accounts and returns branch and \$10,000 for tellers. Endorsements in similar amounts were attached to the combined district blanket position bonds for similar positions in the regional offices and also to the district blanket position bonds.

IAC Midyear to Be at Philadelphia, Nov. 21

Insurance Advertising Conference will hold its semi-annual meeting Nov. 21, at the Warwick hotel, Philadelphia. Edmund V. Schenke of Royal-Liverpool, vice-president and program chairman, said a reception will be held for all conference members the preceding evening of Nov. 20. Wives will be welcome.

The meeting will be devoted entirely to seminar sessions. Chief topic of discussion will be the first issue of IAC News Letter. The morning session will be conducted by a panel of four conference members. Alden M. Taylor of Phoenix of Hartford, chairman; Robert E. Brown, Jr. of Aetna Life group; Lewis S. Dabney of Employers group; and John W. Pratt of Home in Philadelphia. A representative group of key executives from various state associations of insurance agents will be invited to participate in this session.

The afternoon will be devoted to the business session at which many issues confronting the IAC will be discussed.

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13% of N. Y. Autos Uninsured for BI, PDL; Percentage Rising

New York motor vehicle bureau's automobile liability insurance survey show that at least 13% of registered motor vehicles in the state are uninsured. Motor Vehicle Commissioner Joseph P. Kelly reported that as of the close of business Oct. 7, the survey disclosed 3,917,858 registered vehicles covered by at least 10/20/5 liability insurance, while 587,219 did not have insurance at the time of registering for 1955, compared with more than 4.5 million vehicles already registered for 1955.

In the past three months, the percentage of uninsured at the time of registration has risen steadily. As of last July 15, it was only 11.5% of the 4,140,102 vehicles registered.

The insurance survey, required by a 1954 law, will be continued until the end of the year and will cover all registrations for 1955. This is the first such check of insurance coverage in New York. Previously, only available information was the insurance coverage of persons involved in reportable accidents. On the basis of that sampling, it had appeared that about 95% were covered.

After Protests Against Producer Loyalty Oath Rule, Holz Withdraws It

After putting into effect a ruling that applicants for agents and brokers licenses in New York state had to swear that they were not members of any of the 130 organizations that have been listed by the U. S. Attorney General as communist or fascist, the New York Insurance department discontinued the requirement.

In the meantime insurance workers of America CIO, American Jewish Congress and New York Civil Liberties Union protested to Gov. Harriman. S. C. Vladeck of the Civil Liberties Union, said there was serious doubt being member of Ku Klux Klan or the communist party had any bearing on the business of being an insurance producer.

In withdrawing use of the subversive organization questionnaire for license applicants, Insurance Superintendent Holz said that he wished to reconsider the question of whether the rule is one which should have legislative sanction before adoption.

Record Attendance for Course on Homeowners at Michigan State

LANSING.—The course in "Homeowners and Comprehensive Dwelling Policies," conducted at Michigan State university recently, attracted an enrollment of 132 agents. It was the most largely attended course of instruction in the past seven years' program sponsored by Michigan Assn. of Insurance Agents and co-operating groups, including the insurance department and the university's extension department.

Joseph C. Finnell Jr., president of Finnell & Finnell, state agents was the main instructor, assisted by Carl E. Case, Pearl, and Donald Peckham, Great American. Mr. Finnell had appeared on a panel discussion at the Grand Rapids convention and had made such an impression that many agents had requested he provide more extensive coaching in the subject.

King & Ramsay Honored

King & Ramsay, state agents, of Detroit, were honored recently on the occasion of their 25th anniversary as

Michigan supervisory agents for Western Casualty and Western Fire of Fort Scott. The firm received a plaque from President C. C. Otto of the Western companies, and the combined staffs of the offices presented to Robert S. King and Charles A. Ramsay identical desk sets.

Duncan & Swain Opens Ind. Office

Duncan & Swain, general insurance adjusters, has opened a branch office at Bloomington, Ind., with William H. Hunter as manager. James K. Luigs will replace Mr. Hunter as manager at Madisonville, Ky.

W. H. Bates Is Named Agency Superintendent of New Zealand Group

New Zealand has appointed William H. Bates as superintendent of agencies.

Mr. Bates has been with Phoenix of London where he has handled multiple lines with emphasis on casualty.

Welfare Recipients Need WC

LANSING—Workmen's compensation coverage must be provided for

welfare aid recipients hired by welfare departments of their local communities, according to an opinion by Attorney General Kavanagh of Michigan. The ruling applies to cases where the local unit retains the right to hire and fire welfare recipients when recipients are engaged in necessary government work.

Klepeter Promoted at St. Paul

Ernest H. Klepeter has been appointed actuary of Mutual Service Life and Mutual Service Casualty, effective Dec. 5.



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UNITED STATES FIRE INSURANCE CO.	Organized 1824	131 Years
THE BRITISH AMERICA ASSURANCE CO.	Incorporated 1833	122 Years
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	118 Years
THE WESTERN ASSURANCE COMPANY	Incorporated 1851	104 Years
		608 Years

OLD COMPANIES LIKE OLD FRIENDS WEAR WELL . . . Over a collective period of six centuries, these Companies have survived the trials of peace and war, prosperity and depression, inflation and deflation—and have profited by the experience. They have kept faith with Agents and Policyholders, mindful of the trust and confidence reposed in them. They are old in years but young in spirit and they have kept abreast of changing times and conditions, always adhering to sound underwriting principles. With each passing year, we have an increasing appreciation of the contribution which our Agents have made to the good name and reputation of the Companies.



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UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO. U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO. U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO. Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM, N. C.

Conn. Panel of Agents Cover Variety of Problems Average Agency Faces Daily

HARTFORD—The panel on every day problems of the average agent was a feature of the annual convention of Connecticut Assn. of Insurance Agents here. Under the expert hand and witty tongue of William N. Woodland, editor of the *Standard* of Boston, the panel delivered a lot of advice in short order and the audience participated considerably.

Herbert R. Bland of R. C. Knox & Co. agency, Hartford, specialized in auto coverage; William M. Poord Jr. of Litchfield, in homeowners; H. Sage Adams of Guilford, in office management; E. Kenneth French of the Holcomb agency, Hartford, in bonds; Frank Rutherford of New Haven, in comprehensive general liability, and John B. Crosson of the Fisher agency, Hartford, in time element coverages. Among the questions and answers were the following:

How do you account for the fact that the three top companies in auto insurance are direct writers?

Mr. Bland: You agents are responsible. If you are grumbling, it is your own fault. You are the ones who have to sell insured on your value.

We lose business in our agency, but we aren't losing a lot. I think the big gain of the direct writers is coming from new cars. A lot of new ones went on the road this year. To get that business requires selling. You can't reach it sitting in your office.

Should small contractors carry non-ownership automobile insurance?

Mr. Bland: This is almost the most undersold cover in the business today. Yet there are an astonishing number of non-ownership cases that have been decided by the courts.

Anyone who has any employees has the exposure and really needs the coverage.

What about a compensation system

for automobile accident victims?

Mr. Bland: This is not a new idea. I don't think the public will accept it as fair indemnification of claimant. Note that there is plenty of criticism of the inadequacy of workmen's compensation benefits.

Where can insured get collision on assigned auto risks?

Mr. Bland: It is not appropriate to ask for it. This is one of the penalties of getting into the assigned risk plan. There are, however, some assigned risks who got there by means not within their control, and that makes a difference. Yet a loss because of collision has a definite and not excessively large total, the value of the car. Those buying through General Motors have no trouble getting collision coverage.

What can the agent do about job training in his office?

Mr. Adams: He can determine the duties of each position then see that each person is trained to do the job. The Connecticut association has a school to help agents with this problem. NAIA will provide courses. The special agent can help. We just had a special agent in our office to do a job survey. He listed the duties of the jobs and went over the division of those duties in conference with the entire agency staff. This proved very helpful.

Are solicitors a good way to build an agency?

Mr. Adams: Our experience indicates that putting on solicitors is not the way to build the kind of agency we want to build. We are after the residential type of business and want to handle an insured's account—home, auto, A&H and life. This requires a close knowledge of and relation with insured and it requires a wide knowledge of exposures and contracts. Our

objective can best be attained by one of us in the agency and not by a solicitor. In addition, there is the ever present danger that after a time the solicitor will take some of the agency's accounts and start his own agency.

What volume of business can one agent handle in the average agency?

Mr. Adams: An agent in my town has \$700,000-\$800,000 of business and runs his agency with one girl. We have \$170,000 of business and need two girls and an underwriter. But the other agency's business is 90% large industrial accounts with a few big policies. Ours consists of many small policies.

How can the agent justify business interruption if a firm has no profits?

Mr. Crosson: A marginal concern by all means has to have U&O. Otherwise, in event of loss, its continuing expenses may put it out of business.

Is off premises power failure coverage expensive?

Mr. Crosson: No—2 cents for fire and 2 cents for extended coverage. It is very inexpensive. The agent should also add off premises power transmission line coverage at 1 cent. Both these coverages cost very little compared with the premium for basic U&O.

Has anyone sold an earnings policy in the past six months?

Mr. Crosson: In one recent period in Connecticut there were 61 earnings policies. Not enough U&O of all kinds is being sold. Of 35,000 mercantile and service firms in Connecticut only about 10% have U&O. In manufacturing—about 4,000 risks—around 20% have it.

Mr. Woodland: Earnings cover has sold some regular U&O.

Is there a rule of thumb to determine which form, gross earnings or two item, is the best for insured on cost?

Mr. Crosson: If ordinary payroll is 45% or less of gross earnings, this form is apt to be less expensive. But some firms are not interested in ordinary payroll, in which case, ordinary pay-

(CONTINUED ON PAGE 28)

Ellis Favors Flood Control First, Then Maybe Insurance

Even if the 84th Congress does nothing about flood insurance, it is certain that it will not only authorize but appropriate "very substantial sums of money" for flood control projects, Alexander Ellis Jr., Fairfield & Ellis, Boston, told the insurance conference of Management Assn. in Chicago.

"It is far better to prevent losses than to pay them," Mr. Ellis asserted, "and this would be money well spent." What will be done about insurance against floods is less easy to predict.

If the private insurance industry is to underwrite flood insurance at all, it undoubtedly will have to accept some sort of government participation, probably by way of reinsurance, according to Mr. Ellis. The substantial reserves that are needed to meet the catastrophic losses characteristic of floods require a reinsurance market that can absorb losses running into hundreds of millions of dollars. "The federal government with its vast resources could provide such a market whereas, for the present, it is highly doubtful if adequate private facilities are available."

The alternative for the insurance industry, Mr. Ellis said, is to reject the feasibility of flood insurance and let the government explore that issue on its own. "Whether Congress will establish a system of flood or disaster insurance and what form of legislation will develop remains to be seen. If Congress decided to provide specific flood indemnity, the insurance business would no doubt make available to the government its complete facilities to carry out such a program."

Sound flood insurance, the speaker pointed out, undoubtedly would stimulate flood control measures, adequate and intelligent flood zoning, better construction engineered to withstand flood damage and improved flood forecasting. "With this stimulus it follows that catastrophic damage could be lessened over a period of years and we would be approaching a solution to one of our most difficult problems, namely, the very substantial reserves required to meet the major catastrophe inherent in flood."

It is possible, Mr. Ellis suggested, that Congress in the years to come will attempt to provide a disaster indemnity program under which flood will be but one of many perils covered. "This would, of course, present the insurance industry with an additional and tremendous challenge which can only be met with sound, progressive, and resourceful thought on our part."

W. Va. Claims Group Incorrectly Identified

The organization of claims men in Charleston, W. Va., was incorrectly identified in a recent story. The group's name is Charleston Claim Assn. It was organized in 1954 and incorporated early this year. Officers are T. K. Snyder of American Casualty, president; William M. Sloan of America Fore, vice-president; Kermit Parker of Nationwide, secretary; and J. E. McCann of O. R. Dawson Co., treasurer. The association has about 100 members. During the past year it has succeeded in setting up Charleston Claims Managers' Council, and an arbitration board.

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"SERVICE THROUGH PROXIMITY"

AMA Insurance Conference Stresses Role of the Buyer

But Social Activities Keep Customer and Agent Elbow to Elbow

The fall insurance conference of American Management Assn. drew an unusually fine attendance last week at Chicago. The program was heavily introspective in nature, with a great deal of emphasis on the role of the insurance buyer and his duties. Actual insurance topics more or less took a back seat, but the buyers were reminded by the social functions that the insurance industry is interested in no uncertain way in the end product of the function, sales.

The events that have become standard at the AMA insurance meetings were conducted last week in all their glory. Rollins Burdick Hunter had its traditional reception and buffet dinner at the Drake hotel, several miles from the Palmer House where the main sessions took place. However, this difference in location has not affected the attendance of the RBH function which was as crowded and popular as ever. Marsh & McLennan had a reception in the Palmer House and Lumbermens Mutual Casualty conducted its breakfast for buyers. Suites were maintained by American International Underwriters, Byrnes-McCaffrey and Fred S. James & Co., and all of these headquarters did a thriving business.

The formal buyers organization, National Assn. of Insurance Buyers, conducted its annual meeting during the AMA sessions and changed its name and elected new officers.

Only one of the sessions was in the style of the old time AMA meetings—investigating coverages and discussing their application. This was the session on fidelity and burglary losses presided over by H. Walter Johnson of Sun Oil. There has been a swing in these meetings away from the more intimate discussion of coverages, possibly because in these sessions there was a good deal of use by the buyers of cases applying to limited and unusual situations having no interest to most of those in the room. This swing has been so wide that the meeting last week avoided any mention of particular insurance problems and dealt only in the broadest kind of generalities.

Roy L. Jacobus of Ford Motor Co., the insurance section vice-president of AMA, opened the meeting and presided at the first session.

William R. Odell Jr., vice-president and treasurer of International Harvester, the first speaker on the insurance conference program, said that conservation of capital, and with it the function of corporate insurance protection, may become an increasingly important problem for business in the years ahead.

A rising standard of living and an increasing population can be limited by education and capital, he said. If the availability of capital should limit economic progress, conservation of capital will become more important, making the insurance function more vital. The trend, he predicted, will be

toward more extensive coverage rather than less. The trend in Harvester's insurance policy, he added, has been in the direction of increasing the proportion of risks insured. In part this is a result of the increase in the size of investment in the company's types of establishments, and in part it is due to the number and variety of locations. The latter has led to a trend away from individual policies and toward policies of a large number of locations under blanket forms.

The corporate insurance manager

who is willing to help other executives of his company with their personal insurance problems may have to put in a lot of overtime work, but he will thereby be able to do a better job of corporate insurance buying, Ernest L. Clark, president Corporate Advisors of New York, said in his address.

Technically, the insurance manager is hired to look after the corporation's insurance affairs and nothing else, he noted, and this does not include taking company time to study an individual employee's insurance problem and give

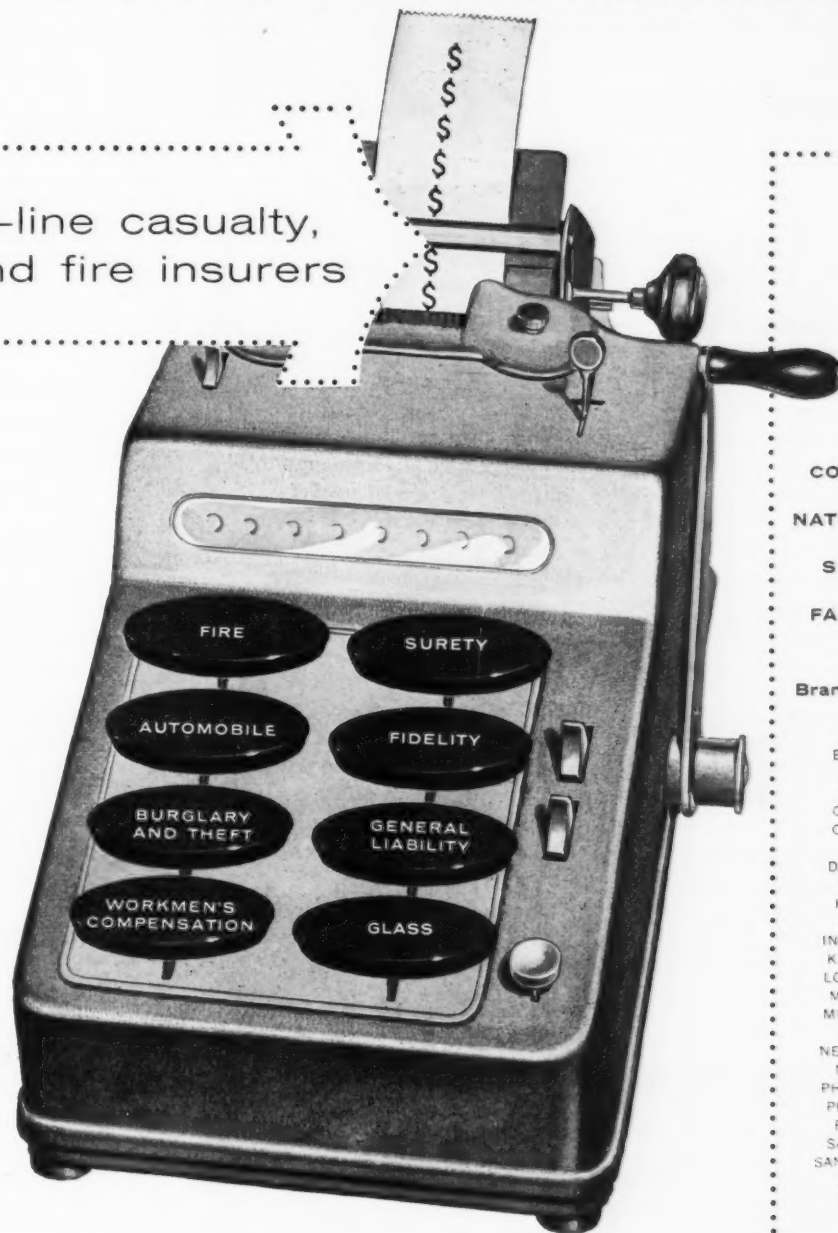
advice. However, one of the most important and vital needs of a corporate insurance manager is to have the cooperation and friendship of all the personnel of the corporation, particularly upper level. Here, Mr. Clark declared, is the opening through which the insurance manager may become very close, personally, as an advisor and counselor.

This friendship pays off on the job, he added. The next time the buyer wants to know something about a new

(CONTINUED ON PAGE 21)

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Convention Dates

Nov. 17-18, Illinois Assn. of Mutual Insurance Agents, Abraham Lincoln hotel, Springfield.
Dec. 3-4, National Assn. of Insurance Brokers, midyear, Kansas City, Mo.
Dec. 4-5, Arkansas Assn. of Insurance Agents, midyear.
Dec. 8 Insurance Federation of New York, annual, Hotel Commodore, New York.
Dec. 28-29, American Assn. of University Teachers of Insurance, annual, Hotel Roosevelt, New York.

1956

Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
Mar. 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
April 8-10, National Assn. of Insurance Agents, midwest territorial conference.
Apr. 8-10, Minnesota Assn. of Insurance Agents, midwest territorial meeting, St. Paul.
Apr. 14-15, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
Apr. 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savary, Des Moines.
Apr. 16-17, Iowa Assn. of Mutual Insurance Agents, annual.
Apr. 22-24, Alabama Assn. of Insurance Agents, annual.
Apr. 23-25, National Assn. of Insurance Agents, midyear.
Apr. 29-May 1, Iowa Assn. of Insurance Agents, annual.
Apr. 30-May 2, Chamber of Commerce of the U. S., annual.
May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
May 3-5, National Assn. of Independent Insurance Adjusters, annual.
May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
May 10, Surety Assn. of America, annual, New York.
May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
May 13-16, H&A Underwriters Conference, annual.
May 14, National Bureau of Casualty Underwriters, annual.
May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
May 16-18, National Assn. of Insurance Brokers, Boston.
May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
May 17-19, Arkansas Assn. of Insurance Agents.
May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
May 23, National Automobile Underwriters Assn., annual.
May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
May 27-30, Virginia Assn. of Insurance Agents, annual.
June 11-13, South-Eastern Underwriters Assn., annual.
June 11-13, National Assn. of Mutual Insurance Agents, midyear, Atlantic City.
June 13-16, International Assn. of A&H Underwriters, Miami Beach.
June 13-15, Insurance Advertising Conference, annual.
June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Sept. 17-20, National Assn. of Insurance Companies, annual.
Sept. 24-26, Bureau of A&H Underwriters, annual, Whiteface Inn, Whiteface, N. Y.
Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
Oct. 7-11, National Assn. of Mutual Insurance Companies, annual, Cincinnati.
Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
Oct. 16-17, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
Oct. 22-24, National Assn. of Mutual Insurance Agents, annual, Washington, D. C.
Oct. 22-24, Western Underwriters Assn., annual.
Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
Nov. 28-30, South-Eastern Underwriters Assn., semi-annual, Carolina, Pinehurst, N. C.

Chicago Accountants Fall Meeting Set for Nov. 21

Chicago Insurance Accounting & Statistical Assn. will hold its fall meeting Nov. 21.

Application of electronic data processing machinery to insurance operations will be discussed by Jack Ellis of Continental Casualty, Norman Kuhlman of Zurich and Ervin Wetzel of Allstate. Speaker at a combined dinner meeting that evening with National Machine Accountants Assn. will be Dr. Tennyson Gyer, director of public relations of Cooper Tire & Rubber Co., Findlay, Ohio.

"want
to
bet?"



... barked my client

"Bulldog" Billings growled at the Pacific National fieldman, just as he always does at me: "Want to bet?"

The Company man took him up instantly. "Yes, I'll bet you a dinner that your investment in personal property is at least twice what you estimate! Will you agree to an appraisal?"

He did — his PPF coverage is now doubled — and we found him a genial dinner host after all. It's a good policy to have an ally as alert as that Pacific National special agent, fighting alongside.

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COMMENTS - TRENDS - OBSERVATIONS

Aviation Volume Maintaining Same Level as in 1954

Business Is Increasing but Competition Tends to Force Rates Down

NEW YORK—The volume of aviation insurance premiums is running about the same thus far this year as it did a year ago, according to underwriters in this field. Premium volume in 1954 was about the same as in 1953. There has been an increase in business, but rate competition has kept premiums at about the same level as in 1954.

Continued reductions in industrial aid rates over the past two years because of good experience have brought them down to a point at which underwriters do not believe they can safely go much lower if at all. Many in the business believe rates on this class of risk might require some adjustment upward.

Airline traffic continues to increase and so far this year is about 10% over the comparable period in 1954, which also saw an increase in traffic over the previous year. There is a continuing increase in public acceptance of this mode of transportation and business is so good because more persons are traveling for business and pleasure.

More business people than ever before are relying on air transportation to get them where they are going and back to their business base in a hurry.

Also, the so-called package trip plans of some airlines has resulted in heavier traffic to and from resort areas. For example, many New Yorkers in the middle income bracket who have done little traveling by air have utilized such packages for vacations in Florida. Some airlines also are offering trips on a travel-now-and-pay-later-plan.

The manufacture of military aircraft has declined, while the production of civilian planes remains modest but is showing a healthy growth. Aircraft manufacturing produces considerable business for the aviation insurance markets in accident and workmen's compensation coverage on crews and other flying personnel and on hulls and liability before the planes pass from civilian to government control.

Airlines had a record safety year in 1954, but to date this year their experience has not been in keeping with that record. Even so, the air transportation business in this country has an enviable record and flying is still much safer than driving on congested highways, as well as much faster.

There has been little change in the helicopter insurance market thus far this year. There is not much competition for this business and although the number of helicopters in civilian use has increased some there are still not many being used outside of the armed services. Rates on helicopters remain higher than those on airplanes as their experience has not been good.

Aviation insurers are always faced with the possibility of catastrophic loss and must constantly reserve against any such occurrences.

Loss Experience Still Bad on Young Drivers

Shelby Mutual has made a statistical run on its loss experience by classification to determine how its loss ratio compares for risks with youthful drivers and those without.

Of the 15.7 million drivers involved in automobile accidents in the nation last year, approximately 700,000 were under 18 years of age. Of these, 1,800 were in fatal accidents. In the age group beginning at 18 and running through 20 years, there were 1,250,000 drivers involved in accidents and 3,600 of these were in fatal accidents. In the group 21 through 24, 2,050,000 were in accidents with 6,300 fatal. In the next higher bracket, 25 through 44, there were 7,650,000 drivers involved in accidents, with approximately 20,000 fatal.

In checking its own statistics, Shelby Mutual found a considerably higher loss ratio for the class 2 risk, those with youthful drivers in the family, than class 1, those without.

While the company gets a larger premium for the class 2 policy, the frequency of loss under those policies is just about double that of class 1 risks.

A recent run of losses for the first five months of 1955 indicates that the experience on class 2 business is even worse this year than last. That leads to the conclusion, the company states, that it will have to be even more careful in screening the young drivers it writes.

New Missouri Insurer

Missouri Union of Clayton, Mo., has been licensed with a capital of \$200,000 paid in and surplus of \$300,000. Financial control is held by Missouri Union Corp. of St. Louis, headed by Ben Jack Cage of Dallas who heads the ICT enterprise at Dallas, as chairman. The new company will write full cover automobile and casualty lines at manual rates.

Grange of Ohio Goes ML

Grange Mutual Casualty of Columbus has been licensed to write fire and allied lines under the new Ohio multiple line law. Edwin H. Adolph has been appointed manager of the new fire department. He has been state agent in Ohio for Pawtucket Mutual.

Lists Pluses and Minuses in Value of Agency for Sale

On the always interesting subject of valuation of an insurance agency, a principal in an important agency, which has purchased other agencies, recently wrote a prominent company executive, suggesting the need of a formula, similar to those used for rating purposes. His letter, which is reproduced below, suggests some important considerations which affect the value of an agency. It invites suggestions both for other factors to be weighed and for weights to be assigned to them.

"The valuation of an insurance agency is difficult, to say the least, the letter says. 'We don't even know here what the accepted formula is, although we are using 1½ times the net gross commissions—that is, commissions after we have paid sub-producers, and we take a five-year average, dropping a month and adding one each time we make a monthly statement. However, if we should approach this problem just as we would make a rate on a building or any other insurance rate, there are certain factors which it seems to me should be considered.

"For instance, you would have plus and minus factors. The age of the agency would be important. We could say that an agency ten years old was normal. If it's 40 years old, then there would certainly be a percentage in the plus column. If the loss ratio, over-all, for all lines, for the life of the agency had been in the plus column, that would add to the plus factor. If the business classified, let's say 20% fire and extended coverage, 20% compensation, 20% automobile and 40% miscellaneous, then you would have a normal situation. Any variation from that would be a minus factor. Let's assume that if an agency such as ours had 50% direct business and 50% through sub-producers it would be normal, but if direct business were 75% and business through sub-producers 25%, you would have a plus factor and, of course, the reverse would be true.

"The next elements would be how much business is on the books because of religion, fraternal organizations, politics, family, social, etc. If any appreciable part of the business is there as a result of these elements, then it certainly would be a minus factor.

"The next element would be to measure the community itself. If it's a town where one industry such as textiles represent practically all of the industry, certainly there would be a minus factor, but if the town or community

New Hand-Book for Wisconsin Published

A new Underwriters' Hand-Book for the State of Wisconsin has been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout Wisconsin. Copies may be obtained from the National Underwriter Co., 420 East Fourth street, Cincinnati. Price \$12.

or area has diversification, the more diversification the larger the plus factor. Another factor from a community standpoint would be the growth of the area. If it has grown steadily over a period of years, it would be a plus factor. If it had declined in population, it certainly would be a minus factor.

"The net earnings might be something to consider, but since that's entirely a question of management, I don't think it's important. If we start, as we did, with the net gross commissions, we are not concerned with the volume of premiums and we are not having to adjust our valuation because there is a lot of low commission stuff.

"There is another element to be thought of and that is the character of companies represented now and represented in the past. This is important because an agency has a certain handicap if it has been involved or is likely to be involved in a failure of one of its companies to fulfill its obligations. During the many years I have been in the field I have seen agencies collapse entirely because of their eagerness to meet cut rate competition with the same sort of ammunition. Another factor, which is perhaps most important, is the number of men in the organization who have an interest, whether partnership or stock, and whether those men are active or merely lending their names. If they are all active, certainly the manpower is distributed and the more personnel of that type, the more stability there is to the organization and less shock if one of them should die. There would be a plus or minus factor here, too.

"There is one more important factor, of course, which is difficult to measure, and that is the value of the contracts which this agency holds. I suppose the longer they have had a good contract with a good company, the more plus factor you have."

Detroit Buyers Hear Spencer

E. M. Spencer, assistant treasurer of Detroit Edison Co. and treasurer of Atomic Power Development Associates, addressed the October meeting of Detroit Insurance Buyers Assn. on "Insurance Problems of the Atomic Age."

Allstate Appeals N. Y. Fire Rate Ruling; Wants 20% Discount

Allstate is appealing with the appellate division of the New York supreme court the decision of the department limiting its deviation for dwelling fire business to 15%. The appeal was made as the time limit of four months in such cases was running out.

Allstate contends it can write residential fire business in New York at a greater discount than 15%, and wants to get the 20% it originally asked for and has obtained in most of the other states in which it is licensed for fire.

Henry S. Moser, vice-president, secretary and general counsel of Allstate, said the decision of Superintendent Holz of New York giving Allstate a 15% discount was significant for the free enterprise system, and Allstate's only concern was the amount of the

saving approved. He added that the trend of experience in the residential fire line has been generally favorable, and "in view of the good experience and the prevailing practice of many fire insurance companies to pay substantially greater commissions to their brokers and agents on residential fire insurance policies than they pay on auto policies, Allstate's economies of operation enable it to save 20% for its fire insurance policyholders."

Allstate has been selling fire business in New York at 15% off.

North America Prints Brochure on Canada

North America group has published a brochure describing its directors' inspection trip to Canada earlier this year. The illustrated booklet shows many of the activities of directors while on the 7,000 mile tour. They met with Canadian agents and employees of the group and studied Canada's industrial potential with leaders of business and government. The brochure is entitled *Salute to Canada* and carries a message from President John A. Diemand to Canadian agents.

NYFIRO Appeals, Says Allstate Rate Still Inadequate

New York Fire Insurance Rating Organization has filed notice of appeal from the decision of the insurance department July 1, which ruled that Allstate could issue dwelling class coverage at 15% off NYFIRO rates. The department sustained NYFIRO's position that the Allstate filing of 20% off was inadequate.

NYFIRO contends that the 15% is still inadequate. NYFIRO points out that Allstate transacted its 1954 fire business countrywide at net loss (adjusted) of 22.2%, and therefore Allstate is not entitled to a cut in rates on the basis of its experience in the fire insurance business.

NYFIRO also argues that Allstate was granted the right to use term discounts under the NYFIRO term rule on its annual policies but does not issue three or five year term policies.

Term policies protect insured against increases in rate during the term of the policy, and Allstate was given the benefit of the discounts under the term rule without the corresponding obligation to issue term policies.

Consequently, NYFIRO decided, a judicial review is necessary to a final determination of the questions involved.

Stellar Card Ready for Hoosier Agents Rally Nov. 14-16

A sparkling card has been arranged for the annual meeting of Indiana Assn. of Insurance Agents, scheduled for Nov. 14-16 at the Claypool hotel, Indianapolis. The convention, for years the largest state gathering of agents, will be preceded by a dinner meeting of directors Sunday.

Monday afternoon speakers and their topics are Robert B. Maxwell, New York Underwriters, Chicago, insuring the loss behind the loss; Henry G. Mildrum, assistant secretary Hartford Accident, selling liability coverages; F. C. Ayres, assistant vice-president U.S.F. & G., increasing bond production, and Robert B. Estlick and Keith Dowell, both of Columbia City, Ind., more profit through farm coverages. That evening there will be a dinner and conference for local board officers.

The presidential report of Edward E. McLaren, Indianapolis, will open Tuesday's session, which also will include an address by the new Indiana commissioner, William J. Davey. Other speakers are Archie M. Slawsky, Nashua, N. H., NAIA executive committeeman, meeting direct writing competition; Paul Swann, agent at Decatur, Ill., competition; David Gray, Afco, New York City, boosting production and lowering expense through premium financing, and Louis Hawley, Newhouse & Hawley, Chicago, surplus line business.

The banquet Tuesday will be followed by a floor show and dancing, and another feature that day is a party for the ladies in attendance.

Wednesday speakers and their topics are Charles H. Bokman, resident vice-president of New Amsterdam Casualty at Pittsburgh, "What Has Become of Salesmanship?"; Robert W. Osler, vice-president of Rough Notes Co., "Is the American Agency System on the Ropes?" and Arthur M. O'Connell, Cincinnati, NAIA executive committeeman, "Debunking Public Relations." Presentation of trophies will wind up the meeting.

Northern of N. Y. to Pay Stock Dividend

Northern of New York has proposed a stock dividend of 10% subject to the approval of the New York department and of shareholders. This is in addition to the regular cash dividend. The proposed distribution of the stock dividend is at the rate of one share on each 10. It is anticipated that the present annual dividend rate of \$2.80 a share will be continued on the increased number of shares.

Two Michigan Mutuals Start H. O. Construction

Michigan Millers Mutual has started construction of its new home office in Lansing. Shiawassee Mutual Fire has plans underway for its new home office in Corunna. It is expected that the new buildings will be ready this winter.



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(CONTINUED FROM PAGE 2)

alike. The convention theme "Keep Abreast of the Times" was carried out in three excellent panels, one each on casualty, fire and marine lines.

The first panel Thursday morning was carried off by local talent and was one of the finest ever presented at a Nebraska convention. Forrest R. Riddell, Fireman's Fund manager at Omaha, and Albert F. Blackburn, Grand Island, were in charge of a panel which included Barton H. Greenberg of Omaha, Patrick E. Thomas of Lincoln and Stephen G. Borstad of Omaha. The panel surveyed a hypothetical risk "Nebraska Industries, Inc." and kept the audience on the edge of its seats by intermingling humor poked at President Kahrhoff and Secretary-Treasurer Curtis Elliott with an excellent and thought-provoking casualty survey of a typical Nebraska business enterprise.

The fire "new-developments" panel was moderated by Prof. Grant M. Osborn of Municipal university of Omaha and included panel members Clarence H. Metzner, assistant manager of Western Underwriters Assn., Robert M. Byrne of Omaha; Harry F. Perlet, general manager of Interbureau, and Harry A. Miller, Fire Assn. of Philadelphia.

Friday afternoon there was a final panel on marine changes. The block policies came in for a thorough and comprehensive analysis, especially in view of their approval by the Nebraska department as of Oct. 1. Members of the panel were Dr. Curtis M. Elliott, professor of insurance at University of Nebraska; Robert E. Paikowski, marine state agent for Standard Fire; F. J. Shields of National Union, and Alexander L. Bell of Great American. All praised the Nebraska department for its excellent handling of the block policy interpretation and predicted that the new block policies would provide the local agent with an excellent tool for servicing commercial accounts and providing the kind of professional service he advertises.

Director of Insurance Pansing said the department would enforce Nebraska's new "captive business" statute which limits the amount of insurance an agent may write on property belonging to himself, his employer or his relatives by blood or by marriage to 10% presumptively and 30% conclusively as rebate. The bill was strongly praised in a special resolution which was sent to the department by the association.

In his annual report, President Kahrhoff praised the officers and their committees for work in all fields of activity. He made special mention of the large amount of activity in the formation of local boards and said the salvation of the agency system lies in the ability of agents to control marketing of insurance on a local level. "The direct writer cannot gain a foothold in a community in which local agents aggressively display their community interest and support," he said.

National association executive committeeman, Arthur M. O'Connell, spoke at the luncheon Friday on "The American Agency System—and Who Cares?" "Nobody," he said, "Nobody—is going to look out for the interests of the local agent except himself. If the agency system is to survive, local agents must make it survive by continuing to work together enthusiastically and unselfishly."

Commissioner Pansing conferred the

title of "Admiral in the Great Navy of Nebraska" on all speakers from outside the state.

Distinguished service awards were presented to Earle L. Ritner of North Platte for local board work; Charles W. Martin and Mr. Barker, both of Omaha, for work in connection with a college business management course at the University of Omaha; William J. Robinson of Sidney, for fund-raising work for his county hospital; Robert M. Penner of Beatrice, for local board work, and Paul C. Huston of Grand Island, for safety work; E. P. Gaines, of Broken Bow, for starting Nebraska's first county board of insurance agents, and Kenneth J. Lahrs of Fremont, for safety work.

The local board achievement award went to the North Platte Assn. of Fire & Casualty Agents. Only eight months old as of convention time, this board stole the show from the older boards with an excellent program of community activity. Second place went

to Superior Assn. of Insurance Agents and third to Lincoln Assn. of Fire & Casualty Agents.

The 1956 convention will be held Oct. 11-12, at the Hotel Cornhusker.

Country's Largest, But Not That Big

The Chicago street lighting job bonded by U.S.F.&G. with Fidelity & Deposit as co-surety reported in the Oct. 20 issue, even though it is the largest street lighting program in the country is not so large as reported. The installation of new lights will be on 600 miles of Chicago streets, not 6,000, as the story stated.

Buys Fla. Adjustment Office

Johns & Co., adjustment firm of Tampa, has purchased the Robert C. Brown adjustment service of Fort Meyers and will continue an office there with William H. Badenhop as manager. Mr. Badenhop has been with Liberty Mutual at Baltimore and later was with U.S.F.&G. as the home office examiner and claims manager at Washington.

Propose Training as License Requirement

More than 200 local, state and national driver education officials attending the annual driver education breakfast conference at Chicago sponsored by Assn. of Casualty & Surety Companies and Center for Safety Education of New York university, indicated they favor completion of a recognized standard course in driver education as a prerequisite to obtaining a driver's license.

Such legislation has already been introduced in one state, but failed to pass.

Thomas N. Boate, manager of the accident prevention department of the association and chairman of the traffic and transportation conference of National Safety Council, was general chairman of the breakfast conference.

Conclude Va. 1752 Clinics

Southern 1752 Club has concluded its fall clinics in Virginia. Meetings were held at Roanoke and Richmond.

The principal speaker at Roanoke was Col. H. M. Reed, professor of English at V.M.I., retired, and now part-time professor of English at Washington & Lee university.

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Lloyds of N. A. Gets \$89,000 Judgment from One of Its Underwriters

A judgment of \$89,280 has been awarded the defunct Lloyds of North America of Houston, which went into receivership last year, the money coming from one of the underwriters, Dent Taylor. The judgment provides for foreclosure of a lien on 14 lots in Bander county which Taylor used as security for a \$40,000 real estate mortgage representing his underwriter's interest in the company. The judgment also assesses Taylor \$40,000 to help pay the company's creditors.

J. D. Wheeler, the receiver, said more suits would be filed against the underwriters in order to pay off the company's liabilities.

Reciprocals Returning from Suburbs to NYC

Associated Reciprocal Exchanges is moving its headquarters from Port Chester, N.Y., to New York City. It moved from the city five years ago. It has contracted to sell its building in Port Chester and has leased space at 2 Park avenue.

In a letter to stockholders, the insurer stated that for some time it has desired to be more centrally located and that in midtown New York it will be near the head offices of a great number of its national accounts as well as brokers in the area.

Agent Tells How to Sell the Homeowners Policy

Dorsey Kinnamon, president of the Kinnamon, Taylor & Dawes agency of Wilmington, Del., addressed a dinner meeting of Ohio Farmers agents in Akron. The meeting was attended by 115 agents from northeastern Ohio. Mr. Kinnamon's subject was "Selling the Homeowner's Policy." His agency has made a notable sales record with the coverage.

Southwest General Names Cooper in Marine Unit

Charles H. Cooper has been appointed assistant marine manager of Southwest General. He has been in the business since 1948 when he started with Frank Rimmer & Co. general agency as Arkansas special agent. Later he was head of the inland and ocean underwriting departments at Dallas. He is skipper of the Dallas Mariners Club.

Eye Uniform Casualty Rates in South Carolina

At Columbia, S. C., where a legislative committee is studying a revision of the insurance laws, one subject being explored is uniform state wide casualty rates.

The committee has retained two actuaries to aid in the investigation. Among those who have appeared before the committee are J. E. McDavid, deputy insurance commissioner, and J. M. Bigham of Seibels, Bruce & Co.

Perlet Discusses CDP

Harry Perlet, manager of Interbureau Insurance Advisory Group, addressed a luncheon meeting of the insurance committee of Young Men's Board of Trade, New York City. He discussed the comprehensive dwelling policy and the development of the multiple line policy.

Run DITC at Fort Wayne

Fort Wayne Assn. of A&H Underwriters is sponsoring a disability income training course, to run for 13 weeks starting Oct. 31. Instructor is Lester King, Indiana A&H manager for Hoosier Casualty.

Wash. AR Plan Elects; Seek Better Understanding of Procedure by Agents

Washington Automobile Assigned Risk Plan at its annual meeting in Seattle elected James Hart, Royal-Liverpool group (National Bureau of Casualty Underwriters), Roland Williams, Fireman's Fund group (all other stock insurers) Robert Ballus, Lumbermens Mutual Casualty (Mutual Insurance Rating Bureau), Lyle V. Sizer, State Farm Mutual (all other non-stock insurers), and Rex A. Rosenberger, Farmers group of Los Angeles (reciprocals), to the governing committee.

In his annual report, E. R. Haffner, manager, repeated the complaint that producers do not seem to understand or study the plan rules. He indicated that at least one application and sometimes several a day are returned as ineligible. He added that 30% to 40% of all applications are returned daily for correction, with the majority of this number returned solely because items have not been answered at all, the application has not been notarized or the producer of record does not even complete his portion. He urged company representatives to spend some time with all producers concerning proper procedure in completing assignments.

Jackson Hartford Accident Manager at Buffalo

Hartford Accident has promoted E. C. Jackson to manager at Buffalo, succeeding the late Augustus Y. Dow. Mr. Jackson has been assistant manager at Pittsburgh the past year and has been with Hartford Accident since 1934 when he started as a casualty underwriter in Pittsburgh. Later he served as special agent at Altoona, Pa., and superintendent of the casualty and agency departments at Pittsburgh, before his promotion to assistant manager in 1954.

Net Income Tax on S. C. Home Insurers

Domestic companies in South Carolina will begin paying a license fee, which will amount to a net income tax, at the beginning of the year.

This is not a premium tax. Domestic insurers will pay "an additional and graded license fee in an amount equal to 2% of the total premiums from insurance contracts issued to residents of South Carolina or paid from a point located within the state." The additional license fee is not to exceed 5% of net income.

Yourtee to North N. J. for Fire Association

John H. Yourtee has been appointed manager of casualty department of the northern New Jersey office of Fire Association group at Montclair. Joseph G. Junior is resident manager. Mr. Yourtee has been with the group since 1945, in automobile claim work and, for the past five years as superintendent of underwriting of the automobile department of the head office. He is a CPCU.

Gresham Opens New Office

R. L. Gresham & Co., adjusters of Las Vegas, have opened a new office in Henderson, Nev. B. A. Walker is manager at Henderson, servicing all types of losses in Henderson and Boulder City. The Henderson office is at 303 Water street.

Mr. Walker was an adjuster in Los Angeles for Ohio Farmers for four years, and later was with Central National of Omaha as Los Angeles claim manager.

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Presents Realistic Character Portrait of Insurance Buyer

Fred A. Replogle, partner in the Chicago industrial psychologists firm of Rohrer, Hibler & Replogle, drew a composite picture of the insurance manager in his talk at the insurance conference of American Management Assn. in Chicago.

Psychological consultants to the management of Mr. Replogle's firm had prepared the picture by combining comprehensive psychological descriptions of 18 of them.

Many insurance managers are too indirect in their supervision of other people, Mr. Replogle said. They take things for granted. They tend to dump rather than delegate. However, in the main, they plan their work effectively, they are fair, they listen to suggestions, they are willing to learn, and they remain organized under the pressures of administrative responsibility.

There is quite a strong tendency for the insurance man to be a do-gooder. Many have some weaknesses in the area of inter-personal relations. They operate better with individuals or very small groups than with large groups and tend to get along better with subordinates and lower-ranking employees than they do with their superiors and top management.

There is a strong tendency for insurance managers to be protective and with-drawing, Mr. Replogle asserted. They are constant worriers, indecisive, sensitive, tense, and irritable. They frustrate easily, are often unimaginative and lack motivation and drive. They tend to be methodical, perfectionistic, impatient and cautious, and somewhat lacking in self-confidence. However, they also are likely to be even-tempered, objective, consistent, and conscientious.

Insurance managers seem to have better insight into technical, analytical, and quantitative problems than they have into the motives, aspirations, and desires of people. They find it difficult to analyze their own shortcomings and their own strengths, much less to recognize the limitations and motivations of others.

They range from average to superior in their ability to think through complex intellectual problems. They are essentially conservative detailists, and in some instances are unimaginative. Their emphasis is on form, he said. They are more practical than intuitive, more deliberate than compulsive, and they tend to follow rules and regulations more than to initiate them.

The ideal insurance manager should have superior ability to think through problems of a theoretical and abstract character. He should think creatively and imaginatively, even better than he can handle routine or imitative aspects of thinking. He should be able to define a problem, approach it logically, and separate the important from the tangential. He should be able to be original and practical at the same time.

He should be a mature individual, free from major internal tensions. He should be able to handle pressure situations without becoming bogged down and losing his perspective. He should have the facility for understanding group tensions and for providing mechanisms and ideas that will relax them. He should understand himself. He should recognize individual differences and always be alert to what it is the other person is trying to achieve through his behavior.

NAMIA Panelists Outline Ingredients for Agency Success

The pattern for success in selling insurance is compounded of a handful of simple ingredients freely available to every agent who wants to take the time to fit them together. This was the consensus of the five-member panel who outlined "My Pattern for Success" at the concluding session of the National Association of Mutual Insurance Agents in Cincinnati.

John B. Read, Park Ridge, Ill., John C. Parsons, Syracuse, A. H. Field, Hickory, N. C., John Keyser, Kalamazoo, Mich., and G. R. McKiever, Miami, presented their formulas for success in a series of crisp, pointed talks. Essentially, they agreed, knowledge of his contracts, sincerity, a will to work, faith in himself, a willingness to accept new ideas, fairness to employees, companies and customers, will help a producer go farther than any patent medicine or magic sales formula.

Mr. Reed stressed, too, his use of the telephone. He often calls 40 or more people a day, seeking appointments and tracing leads. In 1935 or 1936, he said, he made 6,641 calls in one year. His experience has led him to believe that the best hour to phone is between 6 p.m. and 9 p.m. Be clear, concise and slow, he stated, and then he outlined a sample call demonstrating how he acquires expiration dates via telephone.

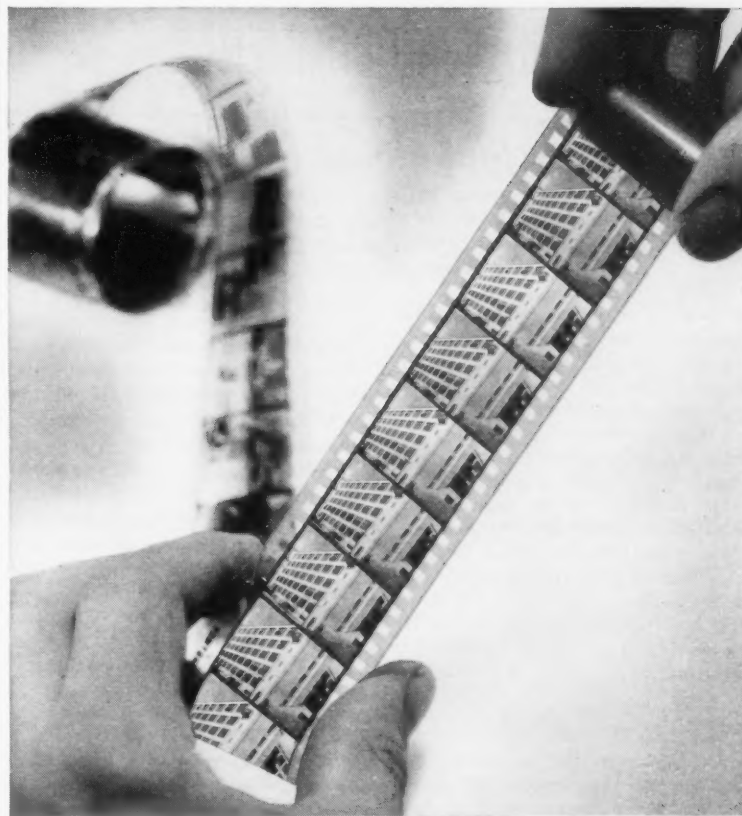
Mr. Parsons is a firm believer in mechanization of the office. He uses dictaphone equipment, electric comptometers, electric typewriters, etc. He feels that each piece of his equipment has paid for itself many times over. Both he and Mr. Field stressed the need for doing a selling job at all times by selling faith in oneself and one's ability.

His agency's success is built of a series of careful attention to many small things, Mr. Keyser stated. He then listed four of the important items: planned sales production and company representation, personnel, exposure to new ideas and the physical layout of his office.

Planned sales production includes use of advertising, he said. In its earlier years, his agency did some extensive cold canvassing. Now, he makes use of direct mail, newspapers, motion picture screen ads, and so on.

Developing personnel is one of the most important functions of the agency and to attempt it on a slipshod basis can be costly, he warned. Mr. Keyser's agency has developed a contract for signing solicitors on a salary, commission, and bonus arrangement whereby the solicitor is prohibited—upon termination of his association with the agency—from approaching insured he has signed. The agency also has a policy of keeping one man in the office to deal with claims exclusively. Mr. Keyser said he usually starts a young man on this job as it provides for excellent training.

Mr. McKiever concluded the forum by stressing the importance of knowledge and sincerity. Sincerity includes honesty; be honest with customers, employees and companies, he said. He mentioned a four-part plan for acquiring and keeping sound, capable associates. "Pay them fairly, treat them fairly, give them responsibility, and back them up."



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EDITORIAL COMMENT

A Suggestion for Fathers

An idea of merit in the area of promoting safe driving on the part of persons under age 25 has been forwarded to us by J. Howard Fitch, manager of Adjusters, Inc., of Dallas.

Mr. Fitch says a family of his acquaintance has gone a little farther than conversation in introducing the element of caution to the youngsters. The father pointed out to his son, who was about to become a driver of the family automobile, that this use would increase the liability premiums by a certain amount, and he required the boy to pay his share of the added cost. At the same time, he noted that the whole family would enjoy physical damage coverage at the same premium. If the boy damaged the car, the father said he would pay the deductible, but the son would not have the privilege of

driving the car again until he had repaid the father the amount of the deductible involved.

Mr. Fitch said there has not been a scratch on the car since the plan was put into effect because the son is aware that he has a financial interest in it.

Wherever it could be used, this plan would seem to provide a clincher for the father-son agreement which many companies are promoting. It adds one more element to the effort to get young drivers to understand the loss potential of a careless act, and it is a good talking point for an agent who is confronted for the first time with increasing a premium because of a growing family, or has an insured who is miffed at the high cost of his family automobile policy.

Another Agent Service for Client

Legislation relating to insurance is constantly on the docket, and agents are usually kept abreast of it by their associations. But does the agent ever think of taking a look at the legislation that will affect his clients and advising them of it?

Herman Toll of Philadelphia, in a report to the convention of Pennsylvania Assn. of Insurance Agents, suggested that since agents usually know something about the businesses or professions they insure, it would pay them to watch legislative developments of interest to their clients.

He listed a number of bills introduced into the Pennsylvania legislature in the recent session which affected many businesses and professions including advertising of merchandise, dentists, liquid fuels, the liquor indus-

try, medical service, milk, motion pictures and theatres, printing, well drillers, bakeries, boilers, elevators, garages, opticians, shoes and vending machines.

Preservation of an agent's business and the businesses of his clients requires vigilance on the agent's part, he said. Just as the legislative committee of an agents' association keeps the legislators informed of recent developments in the insurance field, the agent should advise his clients of developments in their fields and assist them, when he can, in advising their own associations about it.

Such an interest will pay off, for the business man who does not realize that a pending bill may cause regulation which might put him out of business, will be grateful to the insurance agent who tells him about it.

PERSONALS



Thomas E. Walton, Jr.

Thomas E. Walton Jr., assistant vice-president of North America group since 1952, and who recently was elected vice-president, was an assistant secretary when he first went to the head office in 1950, after serving in Boston, Milwaukee and Hartford.

Oliver P. Bennett, recently appointed Iowa insurance commissioner, will



Oliver P. Bennett

serve out the unexpired term of the late Commissioner Fischer subject to confirmation of the appointment by the state senate. Mr. Bennett's career has been primarily legal and political. He was admitted to the bar in 1915 and served as Monona county attorney and a state senator. Mr. Bennett resides at Mapleton, where he practices law.

Nathan L. Fairburn, president of California Compensation of San Fran-

cisco, has been named chairman of the state safe driving campaign by Gov. Knight and E. E. Rhoades, executive director of the California Safety Council in Los Angeles has been named coordinator of the program.

The recently elected vice-president of Hanover Fire, **James L. Dorris**, had



James L. Dorris

been secretary since 1948. After completing the fire insurance scholarship course at Columbia university, he was at the head office of Great American from 1928 to 1933. In 1933 and 1934 he was special agent in Maryland and Delaware for that company, and later was special agent in Florida, and state agent in Alabama and Tennessee. In 1937 he became state agent in Tennessee of Hanover Fire, and he went to the home office as secretary in 1948. He is a past MLG of Tennessee Blue Goose.

E. S. Cowles III, local agent of Hartford, is on a Bermuda vacation.

Harry E. Uhler, sales director of Automobile Club of Maryland since 1951 and manager of its allied insurance agency for 22 years, has been named assistant general manager of the automobile club. He is a past president of National Assn. of Mutual Insurance Agents and of Tri-State Mutual Insurance Agents Assn.

E. Brook Vickery, vice-president of Illinois R. B. Jones, and Mrs. Vickery were contestants on the national TV program, "Feather Your Nest," Tuesday. They won a number of furnishings for their home in Hinsdale, Ill.

DEATHS

T. T. BONENBERGER, 63, local agent at Oklahoma City for 30 years, died in Wesley hospital there from cancer. His illness forced him to suspend his business activities last June.

RALPH A. MALVIN, 63, senior executive with the Continental Casualty railroad division at St. Louis, died in an East St. Louis, Ill., hospital after suffering a heart attack while shopping with his wife. A son, Herschel B. Malvin, is with the Continental railroad division.

MRS. ROBERT L. GREENE, wife of the retired manager of employers liability in New York, New Jersey, Pennsylvania and Delaware, died at Lawrence hospital in Bronxville.

NEWTON B. MORRELL SR., 77, former assistant vice-president of Pennsylvania Lumbermens Mutual, died in Philadelphia. He had been with the company 49 years when he retired last January. His son, Newton B. Jr., is head of the inspection de-

partment of the lumber division of Pennsylvania Lumbermens, and another son, John H. is with Phoenix Mutual Life.

FRANK E. SEYMOUR, 68, Buffalo local agent, died there. He entered insurance in Buffalo in 1915 when he opened a branch for Fidelity & Deposit. Later he was with the Richard L. Wood & Co. agency for two years before he organized his own agency in 1924. He retired as president of the agency, which bears his name, in 1952 and became chairman. He retired from that post last year.

ALFRED A. BRUSH, 75, Los Angeles agent, died at his home there.

MICHAEL G. RICKS, 94, with the Mitchell agency of Lafayette, Ind., for more than 35 years, died of a heart attack while on his way to work.

MARTIN J. KENNEDY, 63, New York City broker since 1916, and a state senator and member of Congress for many years, died in New York City.

ARTHUR W. CALLAHAN, 67, former Iowa special agent for Fidelity & Casualty company, died following a long illness.

ARTHUR J. E. KIRKPATRICK, 79, president of Fidelity of Canada, subsidiary of U.S.F.&G., from its organization in 1921 until he retired in 1945, died at Toronto. He was a director of the company at the time of his death. He entered insurance in 1893 with British American, in 1903 became general manager in Canada of U.S.F.&G. and later became vice-president.

WILLIAM P. CALLAHAN, 59, retired superintendent of the rate division of casualty and liability lines of Travelers, died at Norwich, Conn., after a long illness. He was with Travelers from 1919 until 1945. At his retirement, he was serving in an advisory capacity to the executive vice-president.

SIMON KOONTZ, 71, for 25 years manager of the insurance department of St. Joseph Valley bank of Elkhart, Ind., died at Elkhart General hospital. The extended ill health that finally caused his death had led to his retirement from the bank position in 1951. He had had a long experience in the insurance business before moving to Elkhart.

ROSSER J. WILLIS, 70, local agent at St. Paul and a member of the Willis-Moore agency, died. He had retired only two months ago.

DELMER REES, 71, who was head of Rees agency of Tulsa for 37 years before retiring in 1954, died.

ERNEST B. MORRISON, 57, chief engineer for Oregon Insurance Rating Bureau, died at his home in Portland. He joined the bureau in 1920 as an electrical engineer after graduation from Oregon State college, was named assistant chief engineer in 1951 and chief engineer in 1952.

E. F. POMEROY JR., Jacksonville, Fla., insurance adjuster with Pomeroy & Pomeroy, died at his home there.

THE NATIONAL UNDERWRITER

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Time for a Change in All-Industry Rate Laws, NAII Is Told

The "near panic and hysteria" which brought about enactment of the all-industry rating bills carried with it unnecessary legislation, R. G. Jamieson, general manager of Detroit Automobile Inter-Insurance Exchange, said in his address at the annual meeting of National Assn. of Independent Insurers at Chicago. In retrospect the mistake can be seen, he said. California and other states which did not panic have legislation which is sensible and logical.

Most of the trouble under the all-industry type of law has arisen from the absence of definitions of the standards, he observed. The law says a rate shall not be excessive or inadequate, but there is no definition of either term. As a result, under the same laws departments have established wide variation of interpretation of the meaning of "excessive." The law has placed a very unreasonable burden of interpretation on the departments.

California defined "excessive" and "inadequate," and it would be difficult to find better definitions, Mr. Jamieson declared. In California, when there is competition, the rate cannot be excessive. Under the definition of

inadequate the commissioner can know when to step in to prevent insolvency or dangerous cutting of rates. As long as there is competition the commissioner in California has no concern over a rate increase.

Conscientious career personnel in the departments, and commissioners who have made a study of the situation, fully realize that the all-industry type of law should be changed, he said.

In the departments and the industry, he added, most people can now agree that the all-industry laws should be changed because:

1. Competition is a sufficient protection to the buyer. There is less reason for protecting the buyer against a high rate than there is in protecting him on the price of an automobile. In fact, there is more rate competition in the insurance business than in the automobile manufacturing business.

2. The filing of stale statistical experience is a useless burden for companies and departments. The adequacy of the rates of one company cannot be determined by such pooled experience.

3. Departments should be freed of the responsibility of determining whether a rate is excessive (where there is competition) so that more attention can be given to other responsibilities.

4. The wide variation in interpretation of present laws is a headache to companies operating in several states. The company operating in one state, or two or three states, may suffer in competition where in these states there is a narrow or tough interpretation of "excessive."

5. Such interpretation of "excessive" may threaten the solvency of small companies, and would discourage the organization of new companies.

6. The whole theory of such interpretation is opposed to the fundamentals of competition in a free enterprise system of economy.

7. The all-industry type of legislation was passed only because it was considered necessary to keep regulation within the states. It is not necessary. The California type of law is more conducive to competition and

safer from the standpoint of solvency. It satisfies Public Law 15.

"If these reasons for a change are sound, what is delaying a change?" he asked, saying he believes such changes would be welcomed by the great majority of the best minds in the departments.

The all-industry type of law presents a problem of administration because it does not fit in with a highly competitive business, Mr. Jamieson commented. But in spite of the bad results of the wide variation in interpretation of the laws, there has been no organized attempt to make a change. Satisfactory administration of the laws in a number of states has tended to discourage action for a change.

NAIC, he suggested, could appoint a committee to study the philosophy

of rate regulation. An industry committee could come up with recommended legislation.

Cornbelt Writes Full Line Auto Policy In Illinois

Cornbelt, the fire company organized at Freeport about two years ago, now is writing a full coverage automobile policy in Illinois. J. H. Donaldson, who has several years of field experience in Illinois, is casualty manager.

A large majority of the stock of Cornbelt is owned by agents. More than 300 are now under contract.

Cornbelt's fire premiums are running at a level of about that of last year. The company also organized Cornbelt Life as a facility for its agents to place credit life insurance on installment purchases, and a considerable amount of this type has been written.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Nov. 1, 1955

	Bid	Asked
Aetna Casualty	153	158
Aetna Fire	65	66
Aetna Life	207	212
Agricultural	33 1/2	35
American Equitable	36	37
American Auto	27	28
American (N.J.)	28 1/2	29 1/2
American Motorists	17 1/2	19
American Surety	90	93
Boston	36 1/2	37 1/2
Camden Fire	26 1/2	27 1/2
Continental Casualty	112 1/2	115
Crum & Forster com.	64	66
Federal	36	37 1/2
Fire Association	52 1/2	54
Fireman's Fund	63 1/2	65
Firemen's (N.J.)	38	39
General Reinsurance	44 1/2	46
Glens Falls	67	68 1/2
Globe & Republic	21	22
Great American Fire	37	38
Hartford Fire	152	155
Hanover Fire	43 1/2	45
Home (N.Y.)	45 1/2	46 1/2
Ins. Co. of No. America	106 1/2	108
Maryland Casualty	36 1/2	37 1/2
Mass. Bonding	43	44
National Casualty	52	Bid
National Fire	92 1/2	94 1/2
National Union	42 1/2	43 1/2
New Amsterdam Cas.	48	49 1/2
New Hampshire	43	45
North River	37 1/2	39
Ohio Casualty	83	Bid
Phoenix Conn.	76	79 1/2
Prov. Wash.	26	27
St. Paul F. & M.	54 1/2	56
Security, Conn.	45 1/2	47
Springfield F. & M.	56 1/2	58
Standard Accident	55 1/2	57
Travelers	83 1/2	85
U.S.F. & G.	68	76
U.S. Fire	26	27 1/2

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Buyer's Role Stressed at AMA Insurance Parley

(CONTINUED FROM PAGE 13)

plant, a new fringe benefit, a new product or one of the other developments, a personal relationship with the men in the know he can probably get the lowdown first. This will help him and his corporation do a better insurance buying job.

Assistance with personal insurance also can be a plus in terms of the insurance manager's relations with his broker, agent, or insurance company representative, Mr. Clark pointed out. He advised placing personal policies through the company's regular insurance channels. The contact man for the insurer will appreciate the direction of the business to him. It is to the employee's benefit if this business is placed with the same company, because then it becomes tied in with all the good will and advantages of the corporation's influence with that company.

To give this kind of service requires a lot of extra effort, Mr. Clark warned, but the corporate insurance manager who studies personal insurance will learn something about actuarial approaches that "are basic principles of all forms of insurance."

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AMA Panelists Explain Good and Bad of Jobs

(CONTINUED FROM PAGE 7)

problems of operation, and will normally reserve major insurance decisions for itself. But any insurance manager worth his salt should be able to make himself indispensable in discussions preceding these decisions.

Pure Oil Co., Mr. Berquist said, does not have a written statement of policy but does have a very definite understanding of how insurance is to be used to protect company assets. It is the duty of the insurance manager to guide the corporate attitude toward insurance, taking into consideration current conditions existing in his company. Short of this he becomes only a purchaser of insurance and is not worthy of his responsibility.

To carry out a program of insurance, the insurance manager must have the sympathetic aid of top management. In Pure Oil Mr. Berquist reports directly to a vice-president, who maintains close liaison with executive management including the chairman. Any problem of importance concerning insurance is discussed thoroughly with top management of the division concerned before any major change is proposed.

If the insurance manager's recommendations are not accepted by top management, he should not close his file but attempt to find out why his recommendations were not accepted. He should immediately go to work to meet the objections and, at a later date, reopen the question.

If a company has wide flung operations and a number of branches or divisions, there should be an insurance representative at each field office. These representatives should be responsible for the handling of all insurance matters of that branch and maintain direct communications with the insurance manager. In Pure Oil field offices this duty has been delegated to the chief accountant or office manager.

The insurance department should be consulted in the preparation of all contracts and approval or disapproval noted thereon. In Pure Oil all contracts must have the approval of the legal and insurance departments.

The purpose of the insurance manager is to explain the character of and need for insurance to all the personnel in his company who can help him to accomplish his job more efficiently. It is said that an insurance manager should be a combination of lawyer, accountant and engineer. But his first and usually hardest task is that of a salesman—selling the importance of insurance and a risk program to his company.

Mr. Greenley said the basic policy relating to insurance in his company is to assume (as a charge against insurance reserves, profits or surplus) loss-

es resulting from risks considered as not significant in relation to the cash position of the corporation, to purchase insurance for risks not assumed, and to eliminate or improve conditions and practices which cause insurable losses.

In such matters as changing a risk from a completely purchased insurance status to self insurance or vice versa, or changing brokers, materially increasing limits of coverage, etc., the insurance manager brings his recommendations to the attention of his immediate superior—not necessarily for his approval, but to keep him informed of plans and to obtain views which in some cases may reveal that the buyer may not have considered some important factors outside of the strictly insurance phase of the problem.

Former Moral President Is Acquitted in Perjury Case

Max T. Morgan, former president of the defunct Moral of Tulsa, was acquitted on a directed verdict of charges of perjury by U.S. district court last week. Eight counts were filed against Morgan in connection with testimony he gave in a \$36,861 civil suit against him by Walter Graham of Wichita, who was involved in an auto accident with a Moral policyholder.

The court ordered the verdict on the legal technicality that Morgan had not formally taken an oath, and that answers he gave in written interrogatories were true and that an answer he gave in a civil trial was literally true. The civil trial included some testimony about getting the Moral policyholder out of Kansas in order to avoid service in a suit against him and filing of a phony divorce suit against the policyholder in Oklahoma to show his residence as being in that state.

Moral went broke in 1954. It was primarily an automobile finance insurer, specializing in used cars. The company's name was derived from the first letters of the organizers and had no semantic significance. As it is recalled, the first three letters of Morgan were used and the nickname of the partner, whose name was "Al."

Two New Cal. Insurers Plan to Sell Stock

LOS ANGELES—Professional Indemnity has filed application with the department of insurance for a permit to issue and sell 20,000 shares of its \$100 par value stock at a price of \$225 per share.

Members of San Francisco have applied to the department for a permit to sell 250,000 shares of its \$5 par value stock for a price of \$12.50 per share. The sale of stock is to be made through the Members agency to the public and also to California credit unions as an investment. The company, if and when granted a certificate of authority, plans to transact automobile insurance initially. Officers of Members are: President, Robert E. Wood, San Francisco; vice-president, William L. Sims, Oakland, treasurer, Harry L. Rodney, San Francisco; secretary, Charles L. Smith, Orinda.

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No Trouble Getting Cover, Buyer Says, If Insurer Given the Facts

The insurance buyer who lives up to his obligations to his insurance company and his broker shouldn't have any trouble getting the kind of insurance coverage he needs, Elias W. Rolley, comptroller Funk Brothers Seed Co., told American Management Assn.'s fall insurance conference at Chicago.

If the buyer, Mr. Rolley said, analyzes his risks, requests his agent and company to assist him in determining the kind and amount of coverage needed, is thorough and honest in furnishing needed information, is willing to correct deficiencies in construction and sloppy methods of operation, and will pay an equitable premium, he will get equivalent cooperation from underwriter and agent. This is true, he asserted, even if the buyer represents a small company.

The small company insurance buyer, according to Mr. Rolley, has the same resources to call upon as the large company insurance manager. The insurer is anxious that the risk does not become a claim, and its engineering facilities may be secured, or may be called in to help install and implement a safety program.

The problems of the part-time buyer are in many respects no different from those of the full-time insurance manager, Mr. Rolley pointed out.

Named Eastern Hail Manager of Home

Home has appointed Harold LaRonge manager of its eastern farm and crop-hail department, effective immediately. His headquarters will be at the home office.

Mr. La Ronge joined the company in Illinois in 1948 as a hail special agent. After working as special agent in Montana, he transferred to Wisconsin as hail supervisor there. He went to the Newark office as hail supervisor in the eastern states in 1952.

Advises Buyers to Cover Key Executives for All Accidents

Corporations will spend millions to recruit and develop executive manpower for 1970, 1960 or next year, and miss an opportunity to spend pennies to demonstrate to their own executives that they, too, are on the team, Frank V. McCullough, assistant vice-president of Continental Casualty, told American Management Assn.'s fall insurance conference at Chicago. He suggested comprehensive accident coverage for key executives as a good way to build loyalty.

What is the extent of a company's obligation to an executive? he asked. There is no legal liability beyond the laws of workmen's compensation, but there is the matter of competition and moral obligation. How important is the program of accident insurance for executive employees of the competitor?

That cozy feeling of security that comes from a considerable estate in the bank is a boost for managerial morale, he said. If a boss gave an employee an extra \$6 a month, he wouldn't exactly jump for joy, but if he told him he was insuring him, with his wife as beneficiary, for \$100,000, he would probably be convinced that he was in the right job in the right business. An executive in the top income brackets wouldn't be impressed with a \$12 a month gift, but \$200,000 to his family, if anything happens to him, would make him feel mighty good, Mr. McCullough said.

One firm, he added, has insured all its officers and employees earning more than \$6,500 annually against any accident anywhere in the world at any time, whether the result of travel, work, or recreation. The indemnity, payable to a beneficiary named by insured, is four times the annual salary, subject to a maximum of \$200,000.

It is possible to settle for an executive accident policy with more restricted coverage, at a lower premium, he said. He quoted one insurance manager: "I can't see a man leap into his car, drive 85 miles an hour over a super highway to an airport to catch a plane, and then, once aboard, feel satisfied because he's insured for the two hour flight, which is much less hazardous than the chances he took without thinking on his way to the airport."

A fatal accident on highway or golf course is just as much a loss to a family and company as one resulting from a plane crash, Mr. McCullough said.

Mass. Brokers Elect Fields President

Insurance Brokers Assn. of Massachusetts at its annual meeting in Boston elected William C. Fields president, Douglas W. Haward, J. Lawrence Kelly and Merlin J. Ladd, vice-presidents, and Charles H. Weeber Jr., treasurer. The executive council is Herbert L. Gove, retiring president, John A. Howard, Charles F. Bowers, James Cantor, G. Rodney Hackwell, W. Harold Howatt and Samuel O. Penni.

The brokers also voted to draft Harriman A. Reardon, past president, to continue as editor of the association's publication, *Lines For Brokers*.

During the discussion brokers objected to direct writing of automobile risks by agency companies, and the requirement of some companies of cash in advance for 1956 compulsory renewals in October.

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FIELD

Illinois Field Men Rally at Springfield

More than 100 Illinois field men met last week end at Springfield for the quarterly public relations meeting of the Illinois Fire Underwriters Assn. and the business meeting and initiation of Illinois Blue Goose.

Robert Nordgren, Automobile, 1st vice-president of IFUA in charge of public relations, presided at the PR meeting.

The field club and Blue Goose were joint hosts at a reception following the business meeting and initiation of the Illinois pond. Vincent Mooney, London, was in charge of the Blue Goose meeting as MLG. The day was topped off with a banquet which more than 125 attended.

Montana Field Men Elect W. L. C. Lee as President

Montana Fire Underwriters Assn. at its annual meeting in Butte, elected W. L. C. Lee of Home as the new president. John Daniels, St. Paul F. & M., is vice-president, and C. L. Christian, Cravens, Dargan & Co., is secretary-treasurer.

Items discussed at the meeting included town inspections, educational tours in cooperation with local agents, and participation in Montana Insurance Advisory Council.

Ohio Field Men Plan Rally at Toledo Nov. 15

The program has been completed for the Toledo meeting Nov. 15 of Ohio Fire Underwriters Assn., Ohio Blue Goose and Ohio Fire Prevention Assn. The field club members will convene Tuesday morning, and that noon there will be a luncheon for the executive committee of the fire prevention association. The Blue Goose will have charge in the afternoon, its program consisting of an initiation and business meeting followed by a reception and dinner.

Lopata in Chicago Field for Millers National

Millers National and Illinois Fire have appointed George Lopata special agent for Chicago and Cook county. He replaces Richard J. Kelley who has left the organization to join a general agency in Colorado.

Mr. Lopata has been in insurance for 27 years, having started with the Millers National in 1926.

C.&F. Promotes Gaines; Opens ML Office in N. M.

Albert U. Gaines has been promoted to state agent in New Mexico by Westchester Fire of the Crum & Forster group. He will be in charge of a new multiple line service office in Albuquerque.

Boston Rearranges Its Massachusetts Field

Boston and Old Colony have established two field territories, Boston north and Boston south, and have transferred the Cape Cod territory to the Providence branch.

Stephen F. O'Connor, multiple line special agent, will supervise the Boston north field, which will include his present agency plant.

Lawrence G. Crosby Jr., multiple line special agent, will supervise the Boston south field which will include those agents in Plymouth county who

report their fire business to the Boston office of New England Fire Insurance Rating Assn.

Agents of Plymouth county reporting to the New Bedford, Mass. office of NEFIRA will henceforth for all lines be under the supervision of the companies' branch in Providence. Agents located in Barnstable, Dukes, and Nantucket counties will report, as do the agents in Bristol county, to Providence. Robert R. Towne has been appointed multiple line special agent to assume this added territory in the Cape Cod area in association with Branch Manager Philip N. Hall.

Corroon & Reynolds Has Changes in Okla., Tex.

Corroon & Reynolds has appointed Harry E. Dettler to succeed J. W. Reynolds as special agent in western Oklahoma. His headquarters will be in the Mercantile building at Oklahoma City. Mr. Reynolds is transferring to Texas as state agent, succeeding William D. Mills, who resigned to return to Georgia.

Mr. Dettler has been traveling western Oklahoma for the hail department.

Blanton Joins Atlanta Agency of Gloer Hailey

Robert E. Blanton of Grand Rapids, who has been special agent of New Hampshire group in western Michigan, recently resigned to enter the local agency of Gloer Hailey & Associates of Atlanta. Mr. Blanton was for seven years in the Michigan and Indiana field and formerly was with National Inspection at Chicago.

Steel Honored by Security-Connecticut

William Steel, special agent of Security-Connecticut group who retired Oct. 1, was honored by a luncheon at the home office. A gift was presented him by the company in appreciation of his 26 years of service. Present were out-of-town members of the 25 year club and executive officers.

During his career, Mr. Steel serviced agents on Long Island and in suburban New York. He entered insurance as secretary of the local department of Providence Washington, and later moved to Long Island to become examiner and then special agent of Northern of London.

He served as director of New York State Underwriters Assn. representing the Long Island field and is a past president of New York Suburban Field Club.

Mr. Steel is entering an agency in partnership with his son, William D. Steel, in Bay Shore, N. Y.

Johnson to St. Louis Field for Great American

John R. Johnson has been appointed special agent for Great American at St. Louis to succeed Dale Paterson, who is to be transferred to another field. Mr. Johnson has been with Great American since 1948 and has had underwriting experience in the western department at Chicago. He will be associated at St. Louis with Manager L. L. Freitag in the Pierce building.

Fireman's Fund Names R. S. Reid in Florida

Fireman's Fund group has appointed Richard S. Reid as marine special agent in Florida with headquarters at Tampa. He has been with the group in a marine production capacity for 12 years, and before that had marine experience with another company.

Albertville, Ala., Inspected

Albertville, Ala., underwent a town inspection by 35 members of Alabama Fire Underwriters Assn., under the direction of Banks Griffith, Northern

of London, and Cy Avery, Springfield F. & M. The inspection ended with the burning of an old dwelling, complete with furniture, to illustrate the dangers of fire. New fire fighting equipment was used in the demonstration.

Inspect Stowe, Pa.

Sixty members of Pennsylvania Fire Safety Assn. inspected buildings in Stowe township. A total of 334 criticisms were made on 102 of the 132 buildings inspected. This was the first town inspection conducted by the association in Allegheny county.

Shift Phillips to Cal.

Phoenix of London has transferred Robert L. Phillips to a new office at San Diego. He has been supervisor of the northwest territory and now is special agent in charge of the multiple line facilities at the new office.

Burke Joins Steckler & Co.

Russell Burke has joined Henry A. Steckler Co. general agency of New Orleans as special agent with headquarters at Jackson, Miss., where he will be associated with Reber McKay. Mr. Burke has had adjusting, local agency and field experience.

To Inspect San Benito, Tex.

An inspection of San Benito, Tex., by Texas Insurance Field Men's Assn. is scheduled for Nov. 9. The Corpus Valley division of the association will conduct the inspection with Robert M. Cameron, Trinity Universal, as chairman. Thirty-five field men are expected to take part.

ACCIDENT & HEALTH

200 Attend Northwest A&H Sales Congress at Seattle

More than 200 persons attended the Pacific Northwest International A&H sales congress at Seattle, sponsored by Columbia and Seattle associations of A&H Underwriters.

Floyd Churchill, Northwestern Life, vice-president of Washington A&H Assn., presided at the opening session and I. E. Morrison, Olympic National Life, president, gave the welcoming address. He was followed to the rostrum by Commissioner Sullivan of Washington who was introduced by Harold Goldback, New York Life.

Delbert C. Hastings, assistant director of bureau of business research, University of Washington, addressed the group on "The Northwest—It's Opportunities." W. G. Coursey, Chicago, managing director of International Assn. of A&H Underwriters, discussed "Your Place in the Picture" and Eber Crummy, Mutual Benefit H&A., spoke on "The Canadian Problem."

Clifford McDonald, Dallas, president of International Assn. of A&H Underwriters was speaker at the luncheon, discussing "What A&H Can Do for Life Underwriters."

A panel session on "You Can Make Money" was moderated by Edwin Phillips, Portland, vice-president of Standard Ins. Co. of Oregon, and had as members H. G. Horn, Portland manager of Business Men's Assurance; John Merrifield, Portland, president of Ins. Co. of Oregon; Malcolm Bryant, North American Accident, Portland, and Robert Rau, East Portland agency manager for Standard.

E. J. Coffey, Portland, vice-president of International Assn. of A&H Underwriters, discussed "The Disability Insurance Training Course," and

this was followed by a summary of the meeting and a social hour by home office companies. Those who desired to remain attended the Stanford-University of Washington football game.

Follmann Heads Group to Assist NAIC in Studying Cancellation

J. F. Follmann Jr., general manager of Bureau of A&H Underwriters, was elected chairman of the A&H trade associations' group which is working with the subcommittee of the A&H committee of National Assn. of Insurance Commissioners to study A&H cancellations.

The first meeting of the NAIC subcommittee was held by Commissioner Gillooly of West Virginia, chairman, at Charleston, W. Va. He was the only commissioner present but the meeting was held with the unanimous concurrence of the other commissioner members.

The resolution establishing the subcommittee authorized an invitation to the A&H business to appoint a similar committee from members of the A&H organizations. A committee was constituted of the trade association members who attended and Mr. Follmann was elected.

The joint committees decided that a report on the whole subject of A&H cancellations could not be prepared in time for the December meeting of NAIC, although an interim report may be ready at that time. The groups set June as a final target date for the complete report.

Tiernan Joins American Casualty at Head Office

James S. Tiernan has joined American Casualty at the head office where he will handle research and development of policy forms.

Mr. Tiernan started with Continental Casualty in the intermediate A&H department at Chicago in 1951, and the following year went with Bankers Life & Casualty as an A&H underwriter, later becoming chief A&H underwriter. Mrs. Tiernan, nee Marion Robertson, was for a time editor of the Bankers L&C. house organ.

Associates Income, Ind., Appoints C. E. Ray V-P

Charles E. Ray, manager of the A&H department of Indianapolis Life, has been appointed vice-president and manager of Associates Income Ins. Co. of Indianapolis. Mr. Ray is the third Indianapolis Life home office executive to join the Associates group in the past month. The appointment of Newell Munson, general counsel, and R. Meyer, assistant manager of agencies, as president and agency vice-president, respectively, of Associates Life, an allied company, was announced three weeks ago.

Before going with Indianapolis Life in 1954, Mr. Ray was in the A&H department of Hoosier Casualty for 27 years. He is a former director of International Assn. of A. & H. Underwriters, past chairman of its public education committee and currently a member of its educational committee. He is a past president of Indiana Assn. of A&H Underwriters.

The Associates companies were formed in 1953 and currently have in force about \$7 million of life insurance and \$120,000 of A&H premiums. The companies offer group in both life and A&H, but in the immediate future will stress ordinary and commercial. A completely new line of life and A&H policies is planned.

Meteorologist Sees Fewer Hurricanes in N. E.

(CONTINUED FROM PAGE 3)
during the next five to 10 years from the record low level of the current decade, to a level nearer that of the 1900-1929 period. Little trend is indicated thereafter, except possibly for a substantial rise in the first decade of the next century.

In the Florida area it may be anticipated that the total hurricane frequency will increase slightly during the next few years from the very low level of this decade, but the number of severely destructive storms is expected to average somewhat less for the period 1960-1990 than during the 30 years after 1925. In 1990-2020 there may be a slight upturn in hurricane incidence and destructiveness in this area.

The Atlantic coastal areas north of Florida should witness a sharp decrease of destructive hurricane activity in the next five to 10 years, from the record high level of the decade ending with 1959. This decrease probably will be much less marked in the southern coastal zone than in the more northerly areas and should be sharpest in the New England areas. The period 1960-1990 should see a minimum of hurricane activity north of Cape Hatteras and the Virginia capes. No real upturn of activity in these northern areas is looked for before the first or second decades of the next century, and even then it is indicated only as a possibility.

Dr. Willett points out that the south Atlantic coastal area has always experienced some hurricane destruction, and that the Florida area is the primary hurricane crossroads—the boundary between the gulf and Atlantic storms. This area manifests greater uniformity of hurricane frequency than does any other area. In the more northerly areas, including New England, no severe and only one moderately destructive hurricane was experienced during the first half of the 60-year period (ended with 1959), but starting with the New England hurricane of 1938 there has been a rash of them, particularly in the present decade.

Dr. Willett, who has spent 20 years studying meteorology and climatic conditions, calls attention to the production by some hurricanes of extremely heavy rains and highly de-

structive flooding. He explains how hurricanes produce coastal storm tides, which have proved so destructive along the coasts. He terms the damage done by the floods that grew out of Hurricanes Connie and Diane as even more destructive than the tremendous damage done by the 1948 hurricane and calls attention to the fact that Hurricane Hazel last year produced the same effect around Toronto. In both the 1938 hurricane and Carol of 1954, storm tides coincided with normal high tide on the southern New England coast and thereby contributed a large part of the excessive damages of those two costly storms.

Buyers Change to Manager Title; Elect Officers

National Insurance Buyers Assn. at its annual meeting in Chicago changed its name to American Society of Insurance Managers and elected Frazier S. Wilson, United Air Lines insurance manager, Chicago, president.



Frazier S. Wilson

He succeeds B.E. Kelley, insurance manager of U. S. plywood Corp., New York. Other new officers are: Joseph T. Parrett, Carnation Co., Los Angeles, 1st vice-president; H. Stanley Goodwin, McKesson & Robbins Inc., New York, 2nd vice-president; R. V. Brady, Chase Manhattan bank, New York, treasurer. Peter A. Burke continues as secretary and managing director.

Founded in 1950, ASIM has headquarters in New York and regional chapters in 14 cities and membership in 36 states. Chapters are Chicago, New York, Los Angeles, San Francisco, Portland, Ore.; Houston, Dallas, Baltimore, Philadelphia, Minneapolis, Cincinnati, Detroit, Richmond, and Peoria-Bloomington, Ill.

Mr. Wilson, a past president of the Chicago chapter—Mid-West Insurance Buyers Assn.—and a former vice-president of the national group, was in the insurance business for 11 years before joining the insurance managing department of the air lines.

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Strehler Assistant General Manager of GAB Eastern Unit

A. E. Strehler, executive assistant of General Adjustment Bureau, has been named assistant general manager of the eastern department of the bureau. He has been with GAB since 1924. He was at Albany and Syracuse until 1935, when he became branch manager at Binghamton. Subsequently he headed the Utica and Albany branches in the same capacity, and in 1950 became general adjuster at Albany. He transferred to the departmental office in 1935 as manager of the fire division. He became executive assistant a year ago.

Transfers Central Surety's Southern Business to Atlanta

North British group has transferred the business of Central Surety in Georgia, Florida, South Carolina, Alabama and Mississippi from Kansas City to the southern department at Atlanta. L. E. Cooley, who has been assistant secretary of Central Surety, has been elected to a similar position with North British, Pennsylvania, Mercantile, Commonwealth and Homeland, and is transferring from Kansas City to Atlanta to supervise underwriting in the newly established casualty and surety department there for all companies in the group. He will be under the juris-

diction of Charles J. Williams, vice-president and secretary. Jack G. Parsons, assistant secretary associated with Mr. Williams, continues in charge of fire, automobile and inland marine underwriting.

William D. Mills has been appointed Georgia state agent replacing John A. Ferguson, who resigned. His office will be at 739 Peachtree street, Atlanta.

Mr. Cooley entered insurance as a bond special agent in St. Louis for Fidelity & Casualty in 1940. After military service he was, from 1946 to 1953, bond and burglary manager at Kansas City for Fidelity & Casualty. He joined Central Surety as assistant manager of the home office bond department in 1953 and became assistant secretary this year.

Another Union-Owned Insurer in Process of Formation in Missouri

ST. LOUIS—Union Corp. of America, a \$4 million insurer which will have its home office here, has filed a registration statement with the securities and exchange commission covering a stock issue to raise its proposed capital and surplus. The company plans to concentrate its sales among members of union labor organizations.

Thomas F. X. Gibbons, who operates an agency in St. Louis, is the president and chairman of the new insurer, which is a subsidiary of Union Ins. Corp. of America, formed some time ago as a multiple line company.

Three AFL union officials are vice-presidents and directors of Union Corp. They are A. A. Hunn, president of AFL Building & Construction Trades Council and secretary of Painters District Council No. 2 of St. Louis; E. C. Meinert, secretary-treasurer of Carpenters District Council; and P. J. Burke, secretary-treasurer of Milk Wagon Drivers & Inside Dairy Employees Union.

Mr. Gibbons said about 797,000 shares of stock at \$5 per share will be put on the market when authorization is received from SEC. A commission of 62 cents per share is to be paid the officers and directors who personally sell stock, with the same fee going to salesmen directly associated with the company. Officers who are also directors will not receive a salary but will get \$100 for attendance at board meetings, which Mr. Gibbons said may be held once or twice a month.

Union Ins. Corp. has not yet been licensed by the Missouri insurance department.

Mr. Gibbons said the company will devote its efforts to selling individuals and it will not handle union welfare fund business or group policies from union organizations.

"We are not looking for AFL approval or disapproval, for this is a little man's company," he added. "There will be no pressure tactics under any circumstances."

AFL has a rule against a union official receiving any form of compensation from the administration of welfare funds or for placing insurance with them, Mr. Gibbons observed.

Initially, Union Corp. through its subsidiary Union Ins. Corp. will operate primarily in Missouri, after it is licensed, with plans to expand to life insurance and mortgage loans later on.

Can Write CPL, Farmers CPL for Six Months

Mutual Rating Bureau has promulgated new rules effective Oct. 28 in 38 states in which the bureau is licensed, which permit comprehensive personal and farmers comprehensive personal liability insurance to be written for six months at 50% of the annual premium if these coverages are written in combination with an automobile liability policy written for six months. The new combination can be by endorsement or by a combination policy form.

The new rules are pending in three additional states.

Dean Loman Confers Dixie CPCU Designation

Dr. Harry J. Loman, dean of American Institute, spoke at the CPCU conferment luncheon of Dixie chapter at Atlanta. This was the first conferment in the south. Among the people who attended were W. Horace McEver, president of Dixie chapter and Dr. Kenneth Black Jr., chairman of the insurance department of Georgia State college of business administration.

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INSURANCE MANAGERS SEE

Pretty Girls Illustrate Differences Among Homeowners Policies A, B, C

The power of pretty females to illustrate a point, even in the rather prosaic business of insurance, was demonstrated effectively and pleasantly last week at the insurance conference of American Management Assn. in Chicago.

During a discussion of the differences among homeowners policies C, B and A, the speaker, John J. O'Brien, vice-president of Rollins Burdick Hunter Co., Chicago, invited three young models to parade through the meeting hall.

Model C, a blonde, representing homeowners policy C, strolled in gracefully, attired in cocktail dress and silver fur stole. "That," Mr. O'Brien said, "is homeowners policy C, the luxury package, and I'll bet you gentlemen won't forget that form."

Model B, equally pretty, but dressed more conservatively and without the elegance of fur, came in a little later. "Now we have homeowners B," Mr. O'Brien said, "the in-between policy."

Finally, model A paraded through in a bathing suit. "There," Mr. O'Brien said, "we have homeowners A, the minimum coverage for the minimum premium."

All three young women—visual aids, the speaker called them—are Chicago models. Representing homeowners B was Florence Gallagher, Miss Chicago of 1955.

During more detailed portions of his talk, Mr. O'Brien told the insurance managers that new homeowners and dwelling and apartment tenants policies represent the greatest advance the insurance industry has made in 50 years.

"Suppose you wanted to equip your home with a new kitchen stove," he said. "You would be disturbed if you had to run around to half a dozen stores picking up the burners here, the cabinet there, the racks and trays somewhere else, and then come home and patch it together. Yet for years this is exactly the way the average homeowner has had to provide an even more essential product for his home—adequate insurance coverage."

The speaker said the homeowner or tenant now can buy complete property and personal liability protection in a single package policy. "These are contracts with which the corporate insurance manager should be familiar," he said, "because of the frequency with which other executives call on their insurance manager for aid in personal insurance."

Homeowners C, in addition to all risks contents coverage, offers all physical loss coverage on the home and comprehensive personal liability insurance in one policy for a single premium, "usually at a substantial saving," Mr. O'Brien said.

The Homeowners B Policy is the "moderate type of policy," with less inclusive coverages. It may be written from \$8,000 up to \$100,000 of coverage on the dwelling, private structures on the premises, and additional living expense (limited to 25% per month). Homeowners C provides minimum coverage, with minimum premium and limits of \$8,000 to \$50,000.

In most cases these policies combine

fire and theft with personal liability and medical coverage. "We believe," Mr. O'Brien concluded, "that these new forms are excellent policies because the insured has a simplified insurance program, he receives broader protection, and he saves money, in some cases as much as 30%."

Andrews to Ignore American F&C Tax Case

The issue of the tax case the government has pending against American Fidelity & Casualty has arisen since T. Coleman Andrews, internal revenue commissioner, who is retiring, has made known that he will become chairman and chief executive officer of the insurer.

Mr. Andrews said the tax case had been pending since 1952 and that he had taken no interest in it except to instruct the tax service's counsel to make sure that the preparation of the case was thorough. He said the directors of the insurer would pass a resolution stating that it is understood that Mr. Andrews would not have any authority or responsibility with respect to the case. He said there is no legal reason and he doesn't think there is any moral reason why he shouldn't interest himself in the case, but he doesn't intend to have anything to do with it.

New Texas CPCUs to Get Diplomas Nov. 8

Ten new Texas CPCUs will receive their designations at an all-industry luncheon in Houston Nov. 8. J. Byron Saunders, casualty commissioner, will be the principal speaker and the conferment will be handled by Dr. Harry J. Loman, dean of the American Institute.

T. J. Murphy to Address General Agents at Topeka

Central States Assn. of Managing General Agents will meet Nov. 10-11 at Topeka. The business meeting will be addressed by Thomas J. Murphy, assistant secretary of Sun.

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Conn. Panel Considers Average Agency Problems

(CONTINUED FROM PAGE 12)

roll has to be 30% or less of gross earnings for that form to be less than the two item form. The key is the relation of ordinary payroll to gross earnings.

Why does the surety need collateral for the release of an attachment bond for \$25,000 when the firm is worth \$100,000?

Mr. French: I have seen a good many firms and individuals worth far more than \$100,000 but the money disappeared. If the matter gets into court, courts are slow, and it may not be disposed of for three or four years. At the end of that time the firm may not have the money it started with. Few sureties will write the bond without collateral.

What is the practice with respect to bonding subcontractors?

Mr. French: The general contractor normally takes the big job and, at the request of the surety or of his attorney, bank or accountant, he asks subcontractors to furnish bonds on their part of the operation. The importance of requiring bonds of subcontractors is illustrated by the story of a large contract in the northeast. The general contractor sublet a third of the job to a contractor of whom he required a bond. He then subcontracted another portion of the work to contractor X. He required a bond of this subcontractor. But the first subcontractor, who got one-third of the work, also subcontracted with contractor X but did not require a bond. Subcontractor X de-

faulted, and the subcontractor with one-third of the job was left holding the sack. The subcontractor is not responsible for furnishing a bond unless asked by the general contractor.

Ambrose Opens General Agency at Atlanta

J. D. Ambrose, who has been regional manager in Georgia, Alabama and South Carolina for London & Scottish, Northern of London and American Marine & General, has resigned to open his own general agency to be known as J. D. Ambrose & Co. with headquarters in the Haas-Howell building, Atlanta.

Mr. Ambrose will operate throughout Georgia representing several fire, automobile and casualty companies. He has been in the business in the south for more than 25 years.

Gives Ruling on Interest for Deferred Premiums

The Texas attorney-general, in response to a question of the board of insurance commissioners, has stated that the board has no authority to regulate the rate of interest charged on deferred premiums.

Slow Down and Live Campaign Successful

The nationwide "slow down and live" campaign this year checked the rising tide of automobile accidents and fatalities in spite of a tremendous increase in vehicular travel, according to Paul H. Blaisdell, traffic safety director of National Conference of State

Safety Coordinators, at the coordinators annual meeting in Chicago. They voted to conduct the program again next year.

Traffic deaths during the 101-day campaign increased 6.9% over the 1954 total. Sixteen states achieved a reduction in fatalities for the period, two states held exactly even and the remaining 30 states, District of Columbia and Puerto Rico, showed increases.

The coordinators elected W. A. Huggins, executive secretary of the California governor's traffic safety committee, to succeed William M. Greene, director of the Connecticut state safety commission, as chairman.

Mr. Huggins indicated that the 1956 campaign will follow the same general lines as the campaign just completed but that promotional activities will be considerably increased.

Austin Claim Men Elect

Austin (Tex.) Claim Mens Assn. has elected John W. Axe, Dunlap Claims Service, as president; Jack Maroney, Trinity Universal, vice-president; Alvin Pace, Aetna Casualty, 2nd vice-president; Charles Burgess, Cravens, Dargan & Co., secretary-treasurer, and M. J. Flahive, Flahive Claim Service, a member of the executive committee.

Elect Shy at Alton, Ill.

W. Owen Shy was elected president of Alton (Ill.) Assn. of Insurance Agents at the annual meeting. The other officers are: Vice-president, Stanley E. Wilton; secretary, E. H. Benecke, and treasurer, J. A. Lewis.

NAII President Offers Plan for Improving Business

(CONTINUED FROM PAGE 9)
programs, even the best operate under the obvious handicap of being too limited, Mr. Grinstead remarked. Public relations is broad field and an industry-wide program is needed, or, as a minimum, a program backed by a representative company group, such as NAII. He said NAII is setting up such a program with a staff and money to support it.

Federal bureaus and commissions, Mr. Grinstead observed, have made much of what they term inefficiency and adequacy of state regulation, arousing some interest on the part of the public in federal regulation with the implication that federal staffs are more efficient. The companies have worked with some success to increase appropriations to strengthen the state departments, but he said this is not the complete answer. What is needed, "and what must come is a code of fair practices set up by the industry, policed by it, and operated in the public interest. Since all cooperators would have a voice in the whole operation, no independent needs to fear that he is giving away his independence."

Mr. Grinstead said NAII, with its membership of fire, casualty and multiple line companies, can readily sponsor formulation of such a code and the meetings for preliminary discussion. However, he said, in recognizing the social responsibility and interest of the government in insurance, "the proper authorities should be invited to sit in."

He said such a pattern has been followed in several industries with success, and some of these are similar to insurance in that an adverse public opinion had developed and something had to be done. Some insurance associations have made a few steps in this direction, but, he said, no insurance organization has gone the whole way in sponsoring such a meeting.

Mass Bonding and Seaboard Surety Increase Dividends

Massachusetts Bonding will pay a 30 cent extra dividend Nov. 15 to holders of record Nov. 2. Seaboard Surety has increased its dividend five cents, to 50 cents a quarter, payable Dec. 20 to holders of record Dec. 1.

Matthews, Head of Kansas Agents, Began Career in 1931

Dean E. Matthews, new president of Kansas Assn. of Insurance Agents, has been in the business since he was graduated from the University of Kansas in 1931, except for two years during World War II when he served as a naval officer in the Pacific.



Dean Matthews

Operator of the Matthews agency at Ashland since December, 1953, Mr. Matthews started his career in the life field in western Kansas and served successively as an agent, district agent and agency supervisor.

In 1939 he joined Clark County Abstract Loan & Investment Co. at Ashland. He has been on the executive committee of Kansas Association since 1953.

Safety Talk Wins Top Vote at Taxi Owners' Rally

George A. Robinson of Baltimore, safety director of Kurt Hitke & Co., at a meeting last week of American Taxicab Assn. in Detroit told the taxi owners that the only answer to increasing insurance premiums is to inaugurate an effective safety program at the driver level. Mr. Robinson's talk was voted by those in attendance as the most interesting item on the convention agenda.

He said the owners should try to institute a basic safety program among drivers and make sure new drivers are thoroughly indoctrinated in safety measures before going on the job. Insurance rates in Washington are only \$15 a cab per month, while in Baltimore there is a serious traffic problem and the rate is \$50, he pointed out.

Allegheny CPCU Lunch

The annual all-industry luncheon of the Allegheny CPCU chapter will be held Nov. 7 at Pittsburgh. John D. Phelan, vice-president of American States, will talk on "Challenging Opportunities in the Multiple Peril Era." Robert O. Young will award the CPCU designation to Clyde O. Hadaway and Edwin G. Johnson. Willis M. Kelly, A. Terrence Conlisk and Erling Haabestad Jr. are handling the affair.

Fundamentals Course at Detroit

A course in insurance fundamentals will be conducted in Detroit Nov. 14-19 as a project of the extension division of Michigan State university. Sponsors include practically all of the stock company and agent insurance organizations in the Detroit area.

Lyle Adjustment Has Changes

Lyle Adjustment has appointed T. D. Gray as manager at Roswell, N. M. For three years Mr. Gray has been operating an independent adjustment office at Brythe, Cal.

In the northern New Mexico division, Elton Mann has succeeded Ellis Hogan as manager at Gallup, and Mr. Hogan has been transferred to Albuquerque as assistant to Manager Lee Kious.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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GENERAL AGENCY

25 years old, representing stock companies, volume approximately \$500,000 fire, casualty, surety—Located Central New York. Considerable industry. Owner desires gradual or full retirement. Will consider sale or combine with larger organization who desires to locate Central New York. Address: Box H-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITING SUPERVISOR

Indianapolis Branch of Multiple Line Stock Company requires young man 28-35 with at least five years experience preferably including auto, casualty, fire and inland marine. Replies should include résumé of experience and salary required. Box H-87, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE OPPORTUNITY

Large Eastern Multiple-Line Stock Company offers a fine opportunity to an experienced Inland Marine Underwriter as Assistant Manager of growing Home Office Marine Department. Applicant should be under 45 with at least 10 years experience both in Home Office Inland Marine Underwriting Department and in the Field. Submit résumé of experience and qualifications to: Box H-88, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY MANAGER WANTED

A large Miami, Florida Insurance Agency is seeking a man especially experienced in all Casualty lines, to manage that department. Experience necessary in rating, underwriting, surveys and company presentations. Bonding experience desirable but not a prerequisite. Reply by mail, listing full particulars, education, age, family and church to: Box H-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

700 Turn Out for NAII Chicago Rally

(CONTINUED FROM PAGE 2)

ations is the increasing difficulty companies are having in getting licensed in some states. "In a few states, the door seems almost completely closed," he remarked. "The problem consists simply of the insurance department's failure to give a company forthright consideration of its application on its merits."

While some departments are short-handed and have had their work multiplied, it is easy to distinguish between a bona fide delay due to a backlog of work, and a policy of deliberate inaction or arbitrary refusal, Mr. Lemmon said. The least the company has the right to expect when asking for a license is that it be supplied on request with application forms and instructions for their preparation; to have these forms processed with reasonable dispatch, and to have a decision on the merits in accordance with statutory requirements. "Some states just don't observe even these minimum standards," he asserted.

Mr. Lemmon mentioned a letter several companies received from a commissioner in which the argument was made that there were already 170 casualty companies in the state, so why would any more insurers want to get in the territory "which has been fully developed or is available for development by the 170 companies already in the state." So far as the insurance-buying public is concerned, this commissioner said, 10% additional companies is not needed.

Mr. Lemmon said this commissioner exceeded his job as administrator and went into the legislative field. "That is not the type of state regulation for which we have been working," he commented. He went on to say there is something of a paradox in this situation in that many commissioners have expressed concern over operations or services by any type of an insurer in states where they are not licensed and have made proposals to require multi-state licensing. What should a company do if it is arbitrarily refused admittance to a number of states? he asked. The situation could develop into litigation which might imperil the whole cause of state supervision.

Another problem of state regulation, Mr. Lemmon said, is the "persistent effort by some persons and groups to impede progress and stifle competition." This includes the introduction of uniform rate bills and mandatory bureau membership bills, plus the monopolistic situation which already exists in some jurisdictions.

In some states, he said, statutes require bureau membership for certain lines, and in some others where there is no such requirement the dominant organization groups are powerful enough to make it virtually impossible for a company to operate independently.

"These people resist new ideas—whether for improved coverages, more favorable rates, or what have you—if these ideas come from independent circles," Mr. Lemmon stated. "They try to block the entry into their territory of every company with a different philosophy from their own. In short, they oppose every move calculated to expose their methods and techniques to the invigorating atmosphere of healthy competition."

He said another manifestation of this line of thinking is the idea that only rating organizations should be entitled

to exchange information and to use rates and forms of other bureaus, for example with the homeowners type of policy. In other words, Mr. Lemmon remarked, it's dandy for everyone except independent companies.

He recalled that some rate manuals were copyrighted before the SEUA decision, but between that decision and PL 15 these copyrights were withdrawn. Now 10 years have passed and there are renewed claims for so-called property rights in rating plans and forms.

Discussing the activities of NAII in the past year, Mr. Lemmon noted the membership now is more than 600, whereas when the organization started about 10 years ago there were 40 companies with about \$222 million in premiums. The premium income of members this year will exceed \$2 billion. NAII is now formulating an intensified public relations program, a part of which will be announced before the end of the year. There was a workshop meeting at Denver which had more than twice the expected attendance and which may become an annual event.

Taking up some legislative activities in the past year, he mentioned the effort in Arkansas to force all companies to join the local fire rating bureau, a movement NAII resisted in a most forceful manner.

In New Hampshire the uniform automobile rate bill was sponsored by a powerful producers organization. Mr. Lemmon said this was perhaps the toughest fight of the year, with most of the burden falling on NAII. This measure was defeated by only two votes in the senate. This bill, Mr. Lemmon said, was to have been a test for the uniform rate theory and if it passed in New Hampshire other states were to have followed. "While a temporary victory was won by the skin of the teeth, we can expect this same problem at the next New Hampshire session and in other states as well, he warned.

In Texas there was a bill to make the uniform rate law a minimum rate law. The companies could charge any rate they desired above the minimum set by the department, and in this measure NAII saw an opportunity to make an amendment permitting flexibility in rates. The amendment got out of the senate insurance committee, but died in a legislative log jam.

He mentioned also that South Carolina hearings will be held shortly by a legislative committee on a bill to eliminate variations or deviations in rates or make them difficult to obtain. Apparently these forces are being organized and are aching for a fight, he remarked, and NAII will do its best to accommodate them.

The most drastic of the NACCA bills to get through was the comparative negligence bill in Arkansas, although in other states there were some close calls.

Mr. Lemmon commented that while NAII in its legislative efforts has not accomplished every mission it has undertaken, the influence has been felt.

Superintendent C. Lawrence Leggett of Missouri, president of National Assn. of Insurance Commissioners, in his address commented on rating laws in general and their application in Missouri in particular, saying he feels the Missouri experience under the fire and casualty laws has been "most satisfactory." From the standpoint of

rate regulation, he added, "Missouri has preempted the field to the exclusion of federal intervention."

Superintendent Leffert Holz of New York, in his discussion of the problems confronting the administration with respect to financially irresponsible motorists, offered some words of optimism about the new uninsured motorist coverage in his state. However, he said, in order to take care of the approximately three million non-owners of automobiles, it will be necessary to supplement UM with an uncollected judgment law. Such a law, he said, can be so enacted as to put most of the cost on the uninsured motorist.

After he had finished his remarks, Mr. Holz asked if anyone in the audience had any comments or questions about this proposal, and there were none forthcoming.

About 98 of the insurers doing business in New York are in favor of uninsured motorist coverage, Mr. Holz declared. He said the announcement of its inauguration was received enthusiastically, by and large, and he termed it one of the greatest milestones in the writing of automobile insurance business for many years. "No coverage I can think of is as broad as that," he added.

When thinking of the enormous benefits brought about by UM coverage, it is hard to understand why anyone would want compulsory, Mr. Holz said. Compulsory fails to take care of the driver when he is out of the state or of drivers entering New York from other states. Under the compulsory there is a problem of rate making in the political scene. All of these questions are taken care of under the UM endorsement.

Emphatic endorsement to the use of safety belts in automobiles was given by Lt. Col. John P. Stapp, flight surgeon at Holloman Air Force Development Center in New Mexico, who a week before the NAII meeting was the subject of the TV program, "This is your Life."

Col. Stapp gave an interesting resume of the research that has been done in crash safety, commenting that it has been found that a properly shock-mounted human body seated in the forward facing position can sustain four tons of force applied within one-quarter of a second and suffer no disability. An average force of 8,000 pounds would be exerted on the body of a 175 pound man during the deceleration from 60 miles per hour to a stop in less than three feet, he said. This is a force of 46 times his body weight and can be compared to a force of one-half the body weight experienced while skidding all four wheels of a car on dry pavement going from a speed of 30 mph to 10 mph. The 8,000-pound stop will apply 92 times as much force as the skid on dry pavement, and he observed that this would indicate that the forces encountered in a large majority of automotive crashes are survivable without serious injury if the occupant distributes the force over strong solid quarters of the body by means of webbing straps and is not struck by solid objects.

"The automobile industry," Col. Stapp said, "is the only one whose product can still be sold after killing more than 35,000 and injuring more than a million of its customers a year.... Consider how many thousands of people would have been saved from serious injuries and death in automobile wrecks during the past

year with no other change than the addition of a lap belt which would prevent their being projected out to land on their heads on the pavement."

Under present actual conditions of over-crowded highways, automobiles in all stages of repair and drivers in all physical and mental conditions with a wide variety of skill or judgment, accidents will happen, he observed. The next best solution is to give the occupants of the vehicles as much built-in crash protection as is possible by use of safety restraints and by changing the design of automobiles. He emphasized that if proper use is made of safeguards such as seat belts, a much greater decrease in death and disability will be achieved than by any vaccines and serums against the remaining unconquered contagious diseases.

Leonard A. Polk, secretary and general manager of Inland Mutual of West Virginia, final speaker on the program, took up the question of whether the automobile policy BI rate contemplates coverage or personal injury to insured.

Mr. Polk mentioned that the question arises from the McDowell vs National Surety case decided about 18 months ago in Louisiana in which a husband recovered \$18,000 for personal injuries caused by the alleged negligent driving of his wife. If an insured's employee or property owned or transported by him are excluded in the policy, Mr. Polk said he cannot see any reason why personal injuries should be included.

If there are many more decisions like the McDowell case, premiums will be increased and the public will have to pay for this apparent oversight in the policies, Mr. Polk remarked. The industry should take corrective action, and in the case of NAII he recommended that the members, "who consider themselves to be independent," should not feel obliged to use policy forms or endorsements drafted by organizations entirely different and which "hold themselves aloof from our organization."

Mass. Agents Ask for Broad Forms in One Policy

Massachusetts Assn. of Insurance Agents at its annual convention in Boston adopted a resolution asking for permission to write the broad form dwelling and contents coverage and the special form in the same dwelling policy. This combination, the broad form for contents and the special for the dwelling, is now permissible in New Hampshire.

Massachusetts agents also endorsed the NAIA study of flood insurance.

Robert G. Dowling of Hyannis, president, and all the other officers were reelected.

Correct Great American Story

Because of the dropping of a line of type mistakes occurred in an item in the Oct. 20 issue reporting the establishment of a southwestern department at Dallas by Great American.

Farm and hail business in west Texas will continue to be handled through the company's farm and hail office in Lubbock, Tex. The southwestern departmental office will be under the direction of Wright McCartney, agency superintendent. He has been with the company many years and has had extensive experience in the field and in home office administration.

Tenn. Agents Examine Auto Rate Competition

(CONTINUED FROM PAGE 4)

he was not nearly as afraid of his companies adopting these methods as he is of the specialty company competition.

His agency took on Sea of Chubb & Son group, he said, and while it is too early to draw definite conclusions about results, it certainly has improved agency morale. Now the agency can sell automobile insurance again. It doesn't have to try to change the subject every time an insured mentions his car.

"Let's not hang on to outmoded principles and methods," he concluded. "If we do, we'll be committing economic suicide."

W. P. Deese, in his talk, agreed that continuous policies can help cut costs and meet specialty company competition. He objected, however, to the direct billing feature and noted that it would be possible for companies to bill the agent directly and let him bill insured.

Admitting that the principal objection to the new methods is the reduction in commission he said he doesn't like the idea of a reduced commission,

but local agents are going to have to take it. He argued that the agent only apparently gives up more than the company in this type of arrangement. The greatest part of the premium dollar, he showed, goes for losses. Reduced premiums do not mean reduced losses and the company must still pay out the same amount for losses.

"This means," Mr. Deese said, "that restrictive underwriting must also be applied to private automobile risks. It is absolutely necessary to reduce the loss ratio."

The discussion created quite a stir at the session, which was exceptionally well attended. There were both grumblings as well as approbation from the audience, but all agreed that the frank appraisal of the problem was worth the price of admission.

The general convention adopted a resolution calling on the insurance loss notices, endorsements and other forms used in preparing and changing automobile coverage. This will simplify handling procedures which will result in economies to both companies and agents, the resolution stated.

The group adopted a special resolution recognizing H. G. McMillan of Knoxville, who was president in 1916-17. He is the senior past president.

Russell H. Miles, who was elected president of the association, has been associated with the Bennett & Edwards agency in Kingsport for 13 years and presently is executive vice-president of the agency. The agency recently opened a fine new building in Kingsport. For the past three years Mr. Miles has served as chairman of the casualty committee of the state association.

S. H. Warner of Memphis, vice-president of E. H. Crump & Co., was elected vice-president for west Tennessee. Arch Northington, local agent of Clarksville, was elected first vice-president. He is the state insurance commissioner. Sam Arnold of Knoxville was elected vice-president for east Tennessee.

Under normal succession procedure, Mr. Northington will become president of the association next year.

Clark Wade of Memphis was elected director from west Tennessee, J. R. Jackson of Nashville from middle Tennessee, and Addison L. Webb of Chattanooga from east Tennessee. The retiring president, J. Byron Taylor of Chattanooga, becomes chairman.

George L. Goss was renamed manager.

The insuror of the year award was presented to Louis J. Englert of Jackson, retiring chairman of the board. This trophy is donated by Cherokee Ins. Co. James C. Liner of Decatur won the Frank E. McGlaughon highway safety plaque for outstanding efforts in this field. M. B. Adelson III of Memphis was awarded the Royal-Liverpool sales essay plaque award.

Entertainment features included presentation of corsages to each visiting lady by the women's auxiliary of Knoxville Pond of Blue Goose, and there was a hospitality hour preceding the banquet.

The program opened with Commissioner Northington of the insurance department speaking briefly. On Tuesday, John N. Cosgrove, secretary of American, discussed the American farm plan and the American family plan. The panel on UO featured Charles P. Lang of Hartford Fire, William C. Waller of Hanover and G. Wesley Mantz of New Hampshire as participants.

One positive step to promote private passenger car business was taken by the executive board of the association when a state wide "insuror insured" campaign was voted. This campaign, built around stickers for automobile bumpers, backed up by consistent newspaper advertising setting forth the advantages of being insured by an insuror, has been successfully tested in Memphis. The association will purchase 100,000 Scotch-Lite stickers for re-sale to local agents at half price, and will lay out an advertising campaign for local boards or agencies to use in support of the identifying emblem.

Iowa National Mutual Puts Safety Belts in Its Fleet

Iowa National Mutual of Cedar Rapids has equipped its fleet of 97 cars with safety belts and kits that include foam rubber dash covers and visors. All future new cars will be equipped with two safety belts in front seats and the foam rubber devices as standard equipment.

Arthur F. Lafrentz, chairman of American Surety, was the guest speaker at the annual meeting of American Institute of Accountants in Washington, D. C. His topic was mutual benefits to accountants and surety company executives through cooperation.

Laterza Executive V-P of Presidential

Peter A. Laterza has been appointed executive vice-president of Presidential, new fire and marine company at Jacksonville, Fla. He has been with Springfield F.&M. in a supervisory capacity in production in New York City for five years. Previously he was in all phases of production and claims with Standard Accident group and with National Surety in several different states.

Deputy O'Connell to Retire in Mass.

First Deputy Commissioner O'Connell of Massachusetts retired Oct. 31 under the state's compulsory retirement system. Mr. O'Connell was recently 70. He has been with the department 37 years.

He joined the insurance department in 1919, was an examiner 15 years, became a deputy in 1932, second deputy in 1938 and first deputy in 1953. He has been active in the development of multiple line supervision and has also acted on the admission of new companies, charter amendments and policy approval.

Umland Heads Pacific Claims Executive Group

Charles R. Umland, Pacific department casualty claims manager for Fireman's Fund group, was elected president of Pacific Claims Executives' Assn. at the annual meeting in Seattle. Also elected were Kenneth Hawkes of Northwest Casualty, Seattle, vice-president and William W. Dashiell of Civil Service Employees, San Francisco, secretary-treasurer.

Hardware Mutuals Elect J. P. Jacobs Executive V-P

Directors of Hardware Mutuals of Stevens Point have elected James P. Jacobs an executive vice-president.

Mr. Jacobs has been with the companies since 1949, starting as a planning assistant. He has served as manager at Milwaukee and the Wisconsin district in Stevens Point.

Fitchburg (Mass.) Assn. of Insurance Agents reelected Walter E. Woodruff president. Miss Priscilla Merriam was elected secretary and other officers were reelected.

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Teen-Age Driver Problem Viewed with Alarm

(CONTINUED FROM PAGE 1)

Boston, Providence and Hartford. Mr. Bush said he had asked NAIA for its views on the subject.

Maurice G. Herndon, Washington representative of NAIA, commented that NAIA was awaiting further study of the flood insurance subject by American Insurance Assn. Mr. Herndon in his talk emphasized the confusion produced by duality of insurance regulation, state and federal. There never before has been quite so much intrusion of the federal government into insurance. People want to know, he said, why federal trade commission singled out the insurance business for giant sized publicity when other businesses whose advertising FTC has complained about are given little or none in the general press.

He said he believed that the local agent's opportunity to participate in federal government-bought insurance will continue to decrease—unless agents make themselves felt in Washington.

Mr. North, the new president, is a young man who entered insurance in 1946 with America Fore at the head office. After a year in several departments he joined the agency of Wintter & North in Bridgeport which was formed by his father and uncle in 1911. Mr. North is past president of Bridgeport board and had advanced through all the association offices. He is currently president of Bridgeport Exchange club.

The North cup for local board achievement went to Hartford, the Cowels cup for local board attendance was also won by that board, and John DeWitt, a senior at University of Connecticut, won the G. B. Fisher memorial scholarship.

The convention opened with a round of greetings, from J. George Schilke Jr., president of Hartford board; Miss Dorothy Osterlund of the R. C. Knox & Co. agency, president Hartford Assn. of Insurance Women; Alanson Crandall of Aetna Casualty, president of Casualty & Surety Assn. of Connecticut; Horace Anderson, state agent of Home, president of Connecticut Field Club, and Mayor DeLucco. Miss Osterlund said region 1 of National Assn. of Insurance Women will hold its annual meeting next March in Hartford.

In his administration report Mr. Forcier recommended that agency companies join in telling the story of the agency system to the public.

"Our companies," he declared, "must, through their bureaus, find ways to give us a more competitive product to sell."

He cautioned agents against insurers which seek to absorb the duties of the local agent in the guise of attempting to cut costs. No one yet has found a way of giving up certain duties and responsibilities without at the same time giving up part of their income, he declared. Agents should be reluctant to accept companies which would throw the business into chaos by being part bureau and part non-bureau. The bureaus are the strongest guard of uniform and sane practices.

He said agents should be better informed, render superior local service, and really act as account salesmen and account servicemen. That is their greatest advantage over direct writers and captive agents, he said.

Both Mr. Forcier and Mr. Wiley

paid their respects to the abilities of Mr. Wiley's assistant, Miss Mary Battista.

Mr. Wiley called attention to the new controlled business law which makes it mandatory for an agent to write 90% of his business for the public. The state also has a new law prohibiting the licensing of any insurer owned or controlled by any foreign government.

His office, he said, has received and processed more complaints and resolutions from members and local boards than last year. Most had to do with company appointments and violations of insurance laws. These have been referred largely to the insurance department or to insurers.

Mr. Wiley praised the work of Commissioner Spellacy, who, he said, is demonstrating ability and courage in a new post. He also expressed appreciation for the cooperation of Frank Wagner, superintendent of licenses and claims.

David Gray of Afco explained that organization's premium finance plan. He noted that it is a normal habit for Americans to buy on time and pay as they use. To them, he said, a convenient payment plan is as important as the price of what they are purchasing. Yet the fire and casualty insurance business still follows to a major degree the traditional method of cash in advance.

The panel on every day problems of the agent proved quite popular. It is reported in another story.

Sets Aside \$152,000

Award for School Injury

A New York jury has awarded a 19-year-old Brooklyn girl \$152,000 for personal injuries in a case against McFadden school for children at Tarrytown, N. Y. The girl, Miss Mary Lou Traversone, contended that her back was broken in three places in 1947 when a house mother and a male employee of the school carried her down a stair, tripped and fell with her. The school asserted she was injured when she jumped from a second floor window.

This was the third trial in the case. The first jury awarded Miss Traversone \$75,000. This verdict was set aside with an order for a new trial. During the second trial the judge directed that the girl's testimony be sent to the district attorney for perjury action. The district attorney said no action will be taken until all litigation in the case has been completed.

The award, however has been set aside by Justice Beckinella of the supreme court and a new trial has been ordered but no date has been set.

Selected Risks Indemnity Declares Stock Dividend

Selected Risks Indemnity of New Jersey has declared a stock dividend of 11 1/9%, 10,000 shares, payable Nov. 10, to holders of record Oct. 24. This will increase capital of the company to \$1 million and stockholders approved an increase in the authorized capital from \$1 million to \$5 million. No increase in the amount of stock outstanding, following, the issuance of the shares represented by the stock dividend, is contemplated immediately.

John E. McCarrick, assistant vice-president and with the group since 1927, was elected a director of the indemnity company and Selected Risks Fire. He is also president of Farmers Mutual Fire of Warren county.

Frank E. Mazuy was elected treasurer.

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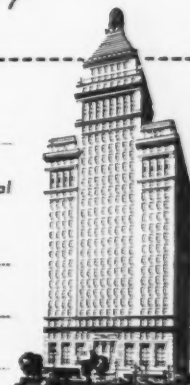
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Attending the insurance buyers' meeting at Chicago for Pure Oil Co. were D. L. Segur, E. T. Berquist and C. W. Clark, all of Chicago.



Attending the insurance conference of AMA in Chicago: Robert F. Munsell, Ocean Accident, T. W. Anderson, Pure Oil Co., F. S. Dauwalter and D. W. Valentine of Fred S. James & Co., all of Chicago, and T. W. T. McKennan Jr., Koppers Co., Pittsburgh.



Pictured at the American International Underwriters luncheon at Chicago honoring German and American insurance buyers; George W. Lutton, Chicago manager of AIU; Dr. H. H. Koch of Bonn, general manager of Deutscher Versicherungsschutzverband, e. V.; Dr. H. E. G. Pinckernelle, director of Klockner Werke, A. G., Duisburg, and T. M. Ringdahl of Frankfurt, AIU regional vice-president for northern Europe.

Three presidents of buyers' associations pictured at a luncheon in Chicago sponsored by American International Underwriters: Frasier S. Wilson, United Air Lines, Chicago, president-elect of American Society of Insurance Managers; Dr. H. G. M. Schramm, vice-president of Farbenfabriken Bayer and also chairman of a German buyers' organization, and B. E. Kelley, U. S. Plywood Corp., New York City, retiring president of the American buyers group.



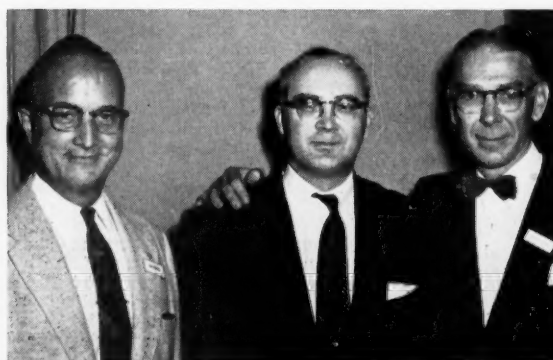
Pictured at the Rollins Burdick Hunter Co. dinner for insurance buyers attending the American Management Assn. conference last week at Chicago: G. S. McSweeney of Deluxe Check Printers, Otto Gressens of Peabody Coal and Raymond Wible of Socony Vacuum Oil.



Taking time off from business sessions at the AMA insurance conference in Chicago; Red Rhodes, Continental Oil, Ponca City, Okla., and three Chicagoans—W. H. Allen, Marsh & McLennan; James MacGregor, Continental Casualty, and W. F. Zielenske, Marsh & McLennan.



O. E. Weed, H. J. Lorber and Adrian Palmer of Rollins Burdick Hunter, principal hosts at the RBH party for members of the insurance conference of American Management Assn. at Chicago, with W. A. Brooks of North American Car Corp.



Pictured at the Rollins Burdick Hunter party in Chicago during the American Management Assn. insurance conference last week: T. J. Ocsek of RBH with Wesley A. Johnston of Chrysler Corp. and G. R. Parks of RBH.

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Managers Discuss Commercial Infidelity

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cognizes the fact that it applies to non-expected losses, for the amount of assumption is placed high enough to exclude normal experience. Result is an economical cost for protection against non-expected losses, our only real insurable risk. The test is that we have adequate protection to exposures that could affect our earnings at a reasonable element of expense.

"One of the important aspects of the problem is that it forces us to be self-reliant and defend ourselves against losses. Too often, the tendency of management is to rely on insurance to protect expected losses without realizing that ultimately they pay that loss in full plus the expense of the insurer.

"When full fidelity and theft or mysterious disappearance coverage was carried, we had the usual trouble in conclusively proving that our loss was not the normal expected inventory shortage. With our coverage based on non-expected losses we do not seem to have this trouble, our losses are few and when they do occur they are larger and, therefore, it is to everyone's interest to develop the supporting data more thoroughly. Result is less difficulties in adjustment, both on the part of the insurer and ourselves."

"We have found the 3-D—or comprehensive dishonesty, disappearance and destruction policy—ideally suited to our needs," Mr. Murphy of Maryland Shipbuilding said. "It is package insurance, combining the broadest coverage in its insuring agreements—one to five are in basic policy and six to 12 can be added if and as conditions warrant. The contract can be tailored to fit any given situation and gives to the insured most comprehensive crime protection. There is no termination date so lapse is not possible but policy can be cancelled by written notice of either party to the other.

"We buy under insuring agreement I—the blanket position form—which covers every employee—from the janitor to the board chairman—no second guessing as to who to cover—limit \$100,000—with excess of \$400,000 each on all officers, chief accountant, cashiers, director of purchases and internal auditors. Our experience has been excellent—so that we enjoy a very low cost. We maintain a strict internal audit, unannounced check-up of cashiers' offices—particularly before and after vacations—audit of inventory—

we use IBM controls—two approvals on all invoices, two signature checks, check writing machine; rotate employees who reconcile check balances on our operating accounts—dividend accounts and self-insured compensation drafts—the latter lends itself to easy pickings through collusion. Of course, our outside auditors do a thorough job, including the checking of every open account, either receivable or payable. We have a committee of two officers and one of our accountants who handle the securities owned by the company and also the sales and transfers. They also act as advisers to our foundation group for investments.

"On insuring agreement II—loss within premises—we cover the cashiers' operating fund plus 50% to cover emergencies such as uncollected wages over weekends. Since we are on a 24 hour basis, and have a full guard and watchman service around the clock, the resulting credits make cost of this coverage negligible.

"On insuring agreement III—loss outside premises—all large transfers of cash are made by armored car service so that only a nominal cover is carried—and the custodian is taken to one of two banks (we alternate, but follow no pattern) in a private car, so that the premium is slight.

"We carry depositors forgery insurance, as primary coverage as to losses covered by this agreement and which are also covered by agreement I or by forgery insurance carried by any of our banks in which we carry accounts. This agreement also includes indemnity for counterfeit American or Canadian paper currency—money orders or travelers checks accepted in ordinary business up to a sum which is adequate for our purposes."

"Here is what we have under a 3 'D' plan A, Mr. Damon of Parke, Davis said: Depositors dishonesty—a substantial amount (in excess of \$100,000); depositors forgery (including employees)—an amount equal to employee dishonesty; within premises coverage—a modest amount adequate to cover an exposure greater than our average; outside premises coverage—same amount, and open stock theft on domestic and Canadian manufacturing locations—a modest amount.

"In addition we carry a fairly large excess contract which operates as an excess aggregate over all primary liability cover and also over primary employee dishonesty cover. We have kept the employee dishonesty limits lower than we otherwise would—and more economically—by keeping the depositors forgery cover high on the theory that in a high percentage of large dishonesty losses employee forgery is involved.

"Open stock theft coverage is restricted to manufacturing locations in the United States and Canada since the use of a MO form provides satisfactory coverage elsewhere domestically. It is kept at a modest amount due to the completeness of plant protection systems and the conviction that any large personal property theft would almost certainly be with the assistance and collusion of employees which would bring the higher limits of employee dishonesty coverage into play.

"I'm going to presume to mention

three things that I would like to impress on you as being in my opinion important.

1. "Don't let long periods of service by an employee lull you into a false sense of security—our last large loss involved a man who had given us 26 years of satisfactory service when his irregularities were discovered.

2. "Don't let the passage of time or monotony of routine obscure the purpose of control systems, you may put into practice. I mean by that, just because it's old stuff to have two signatures on checks, don't let the first signer use a rubber stamp for the second. Just because it's tiresome to follow it up and it doesn't amount to much anyway, don't automatically write off inventory variations between book figures and physical checks. Just because your salesman is a fixture and honest and ushers in your church and is in a big rush to get an emergency order out to a good customer, don't let it out of the warehouse without some paper to show that the goods are being charged out to somebody.

3. "Don't feel silly or apologetic in recommending and buying a substantial limit on your bond. About 90% of employee dishonesty losses are not insured. Don't make the mistake of thinking it can't happen to you for some morning you might find out it did."

Traffic Deaths in Sept. Jump 12%

September traffic deaths totaled 3,530, according to National Safety Council, the greatest number in September in 14 years. This was the seventh consecutive month to show an increase over the corresponding month of last year, and the 12% jump in September was the largest of the year.

For the nine months, safety council figures showed auto deaths totaled 27,060, an increase of 6% over the same period in 1954.

The council said a major contributing factor in the increase in deaths appears to be the continuing growth in motor vehicle travel. At the end of August mileage was 8% ahead of 1954 and 11% ahead of 1953.

Latin American Pool Expands to All Lines

Reinsurance operations of Latin American Pool has been expanded to include all lines of insurance. Inaugurated a year ago, the pool has limited reinsurance of fire and allied lines on risks in U. S. and Canada.

Oficinas de Ultramar, managers of the pool, is an affiliate of Godoy-Sayan insurance and banking organization of Havana. Another affiliate is Ultramar Inter-America Corp., which acts as reinsurance intermediaries and average adjusters.



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MANUFACTURERS OUTPUT
and similar covers

Stock Companies Broaden UM Cover in New York

(CONTINUED FROM PAGE 5)

criticize the stock company form, Chase M. Smith, counsel of Lumbermens Mutual Casualty, said. The features of the endorsement are good. The mutual companies just don't believe that policyholders should have to pay for the fact that the other motorist was uninsured. The mutuals sell them a non-redeemer clause, he said.

The price of the two endorsements is different and the costs may be widely different, he said.

As far as using an arbitration board or an appraiser is concerned, both schemes of settling the dispute are sound, he said. The mutuals figured they would have trouble with their policyholders by asking them personal questions concerning the accident, and then, after finding the answers refusing to pay the claim. They decided to try the appraisal system on the grounds that the policyholders might get a better deal of it. He believes about 90% of the disputes will be settled by the two appraisers.

One question concerned a hypothetical accident in Montana which involved three cars, one insured with the regular limits, one out-of-state car with 5/10 limits, and the third uninsured. The insured brings suit. If insured carries medical payments can he collect on that policy as well as under the UM special damages? If the policyholder has a mutual policy, since appraisals aren't binding on the insurer, why should he agree on a third party appraisal? If he has a stock company policy, since the accident is in Montana, where should he arbitrate—in New York where he would probably get a better deal, or in Montana where he probably would not get the same treatment as under New York

laws? And, will the broker's loss ratio suffer?

All of the panelists answered the question. Mr. Lusby said that in a stock company there would be no effect on the medical payments, for what is paid under medical payments is a separate and distinct obligation and has no bearing on UM cover.

If the out-of-state motorist had 5/10 limits, could insured collect more, he asked. Is one from out-of-state under 5/10 limits an uninsured motorist, he continued. No, and the insuring clause states that the person from out-of-state is still insured.

Answering the arbitration question, Mr. Lusby said if he were involved in the accident, he would arbitrate where he thought he'd get the best break. There is nothing in the form that states where the arbitration should take place, subject, of course, to a reasonable approach to the problem. Insured could not take a New York case to Alabama for arbitration, for instance.

The last part of the question, he said, had to be answered that the loss ratio must always be charged to the producer.

J. F. Harris, secretary of Travelers Indemnity, interpolated a statement about the loss ratio. Travelers has made its rate on a speculative basis, since there is no experience on which to base it, he said. But the companies want this coverage to go over, and they don't want to penalize the producer for selling it.

Mr. Craugh said that the only concern of the companies is whether the motorist is uninsured at the time of the accident and it makes no difference whether he has 5/10 limits or 10/20 or any other.

Another question on a similar three car accident in which insured was operating his own car, claimant was a passenger in his car, and the damages

were \$3,000, was: How is the \$3,000 allocated among the operators of the cars?

Chase M. Smith, counsel of Lumbermens Mutual Casualty, said that in this case probably both the stock company and the mutual company would pay. It is duplicate coverage, he said, and the companies can only hope that the duplications or multiple car accidents will not be too frequent.

Asked if the UM coverage were not going to encourage people to drop insurance, Mr. Holz said that people carry insurance to protect themselves against judgments—and he believes UM will encourage more people to buy insurance.

Fire Rates on Several Classes Cut in Mont.

Commissioner Holmes of Montana has approved, effective Nov. 1, a rate reduction as filed by Montana Fire Rating Bureau which would range from 20 to 30% depending on type of construction, occupancy and fire protection. Public buildings received a 30% decrease, as do banks, hotels and offices in buildings of all-steel or class C or D construction. Occupants in fire-resistant buildings get a 20% reduction.

Wholesale and mercantile establishments and certain warehouse risks will have a 30% rate cut if of all-steel construction and 20% if fire-resistant.

Worcester Mutual Appoints Okla. Agency

Worcester Mutual Fire has named Corby & Co., Oklahoma City, its general agency in Oklahoma. Marmaduke Corby Sr., has been in insurance in Oklahoma since 1915 and his sons, Marmaduke and G. Scaling, have been with the agency since it expanded to include all forms of insurance and became managing general agents.

N. H. Board Changes

New Hampshire Board of Underwriters has adopted a new rule permitting increases in the valuation of coverage for mercantile stock when subject to seasonal fluctuation for a short term at pro rata rates. Single state reporting form A now can cover grain under certain conditions, and use of the budget plan on A is prohibited.

The dwelling building and contents broad form and the dwelling building special form now take a minimum premium of \$5.50 regardless of term. The board permits both forms to be attached to a single policy with the broad form applicable to contents and the special to buildings—at a minimum for both of \$5.50.

The automatic cover clause now is permitted on policies covering public utilities, state and municipal properties, hospitals, federal housing projects and educational institutions for an amount not exceeding 5% of the total insurance or \$100,000, whichever is less.

Buffalo CPCU Elects

New officers of Buffalo CPCU chapter are Allen Fischer of Standard Accident, president; Robert W. Zoller of Great American, vice-president; Robert P. Lentz Jr., Buffalo Fire Office, treasurer, and Herbert C. Cox, Aldrich & Cox agency, secretary.

Dairyland Mutual Expands

Dairyland Mutual of Madison has been licensed in Minnesota. The company specializes in automobile coverage for young drivers, military personnel and other sub-standard risks. The Minnesota office is at St. Paul where Robert Anderson is manager. Mr. Anderson has been with Integrity Mutuals of Appleton.

N. C. Hospital Case Hearing, Nov. 16

Commissioner Gold of North Carolina will hold a public hearing in the State Hospital Association case Nov. 16 in his office. He has cited Larry P. Eagles, president, and J. R. Owens, secretary-treasurer, to appear as witnesses.

Mr. Gold said he will conduct a full hearing of the transaction in which the association attempted to convert to a stock A&H company. The conversion move ran on the rocks when forgeries were found in the stock transfers.

Mr. Eagles and Mr. Owens appealed from orders by Mr. Gold blocking the conversion. Wake superior court, acting at Mr. Gold's request, remanded the matter to him for the hearing. Meanwhile, several agents of the company have pleaded guilty to the forgeries which transferred several hundred shares of stock to Mr. Eagles and Mr. Owens.

N. J. WC Rates to Be Reduced 4.2% Jan. 1

Manual rates for New Jersey workmen's compensation will be reduced 7.6%, Jan. 1, and the net effect on premiums is estimated at a 4.2% reduction, allowing for experience credits, etc. The reduction is based on a combined loss ratio of 53.96% on earned premiums of \$72,080,287 during the year ended June 30. This continues the improvement noted in the 1954 calendar year which developed a loss ratio of 57.98% on earned premiums of \$69,667,520.

Norbrit Guards Elect

At the annual meeting of Norbrit Guards, a 25-year club of North British group, the following officers were elected: H. G. Thomas, president; S. J. Currie, vice-president; Mrs. Antoinette McElroy, secretary; Miss Lillian C. Teller, treasurer; and R. J. Earl and F. W. Young, executive committee.

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Fire Rate Cut 5½% in Wis.; Optional Deductible OK'd

The Wisconsin department has ordered a reduction in fire rates and an increase in windstorm and extended coverage rates in the state, effective Jan. 1.

The reductions will decrease fire rates by \$1,306,000 a year for an average decrease of 5½%. They apply to frame dwellings, public buildings, frame mercantile and general manufacturing properties with public fire protection and to seasonal dwellings, motels, public buildings, schools and churches, both in cities and rural areas. The reduction, announced by Commissioner Vande Zande just prior to his resignation, permits Wisconsin companies a 5% allowance for profit and reserves instead of 2½% as in the past.

"This reduction follows the continuing program of adjusting rates to the latest underwriting experience indications, just as soon as available, and brings the allowance for underwriting profit and catastrophe within the allowable zone followed by the majority of states," Mr. Vande Zande said.

Wisconsin companies reported a loss ratio over the last five years of 9.81% or \$3,944,617.

The department also approved a \$50 EC deductible clause in Wisconsin for the first time. The approval will permit a reduction of from 8 to 10 cents per \$1,000 on policies with the deductible.

The rate without the deductible will increase from 10 to 14 cents.

The decrease is the fourth in Wisconsin fire rates since 1950 but considerably less than the 17% reduction recommended by Deputy Commissioner Timbers at a department-company conference last September. At that time, W. L. Phelps, manager of Wisconsin Fire Insurance Rating Bureau, called Mr. Timbers' proposal "out of the question" and argued that his suggestion of a 7% decrease was more equitable.

Combs Rejects Offer of Service Fire in Classification Hassle

LITTLE ROCK—Commissioner Combs of Arkansas has rejected a compromise proposal of Service Fire in the matter of automobile PHD misclassifications. Service offered to send to all policyholders put on the books since Jan. 1, 1955, a request for rating information for the purpose of re-

checking the classification and making refunds if necessary. Refunds would be given to Universal CIT, the finance company originating the business.

Mr. Combs said this proposal "will by no means have my approval. I intend to take every legal step necessary to have refunded to the policyholders of Arkansas all they are justly entitled to and I will not compromise their rights away by accepting the offer of Service Fire."

Mr. Combs said he also objected to the proposal to make refunds only to the policyholders whose business had been written since Jan. 1, and he is insisting on refunds to the policyholders direct. "Under the company's proposal, if an automobile purchaser had financed his car and received a Service policy last December or before he would receive no refund even though he had been misclassified," Mr. Combs remarked. He said he wants the review of policies to be made by the state or some state designated agency.

The commissioner has called for a complete list of Service's estimated 25,000 policyholders in Arkansas so that questionnaires can be sent them by the insurance department. Mr. Combs has estimated that as many as 50% of the policyholders have been overcharged.

American Motorists to Sell Stock. Plans Stock Dividend

American Motorists is offering 200,000 shares of \$3 par value stock to stockholders of record Oct. 26 through the exercise of stock subscription warrants. The rights will entitle stockholders to buy one new share for each five they now hold at a price of \$8 per new share. The subscription must be completed by Dec. 1, and if all the warrant rights are exercised, capital of American Motorists will be increased by \$600,000 and surplus by \$1 million.

The stockholders approved the plan of the meeting last July. The company now has a capital of \$3 million and a surplus of about \$4 million and a net surplus of about \$4 million.

The directors at their September meeting will consider a stock dividend of \$400,000 to bring the capital to a total of \$4 million.

Two Promotions Made by Aetna Casualty

Edward W. Ellison, manager at Rochester of Aetna Casualty, has been

appointed field supervisor in the home office agency department.

Lewis A. Hazen, superintendent of the bond department at Cleveland, will succeed Mr. Ellison at Rochester.

Mr. Ellison joined the company in 1940 and after experience as a field man was appointed superintendent of agents at Pittsburgh. In 1953, he went to Rochester.

Mr. Hazen has been with Aetna Casualty for 25 years. After experience in casualty and surety underwriting and field work at Newark and New York City, he was superintendent of the bond department at Providence before transferring to Cleveland.

NAIC Executive Body Meets at Chicago

The executive committee of National Assn. of Insurance Commissioners held a special session in Chicago last week, the meeting coinciding with the annual convention of National Assn. of Independent Insurers. Navarre of Michigan, executive committee chairman, presided.

The open session was confined to several internal problems of NAIC after getting off to a late start because the committee had to pose for a photograph and preparations for it were elaborate.

One of the problems taken up was the question of social security benefits for NAIC employees. These people have been paying into the social security fund, but a recent ruling of the Treasury Department makes them ineligible to receive benefits. This is a confused situation which apparently calls for a resolution on the part of NAIC supported by some rulings from attorney generals in some of the states. Then the executive committee got off on the problem of whether they should dispose of any of their files. Hugh Tollack, assistant secretary in charge of the central office, said there has been nothing thrown away since 1948, and he is running short of space. After a long debate it was decided that it would be all right to discontinue saving old convention examinations and to throw out some of the general correspondence after it has lost its usefulness.

It was voted to appoint a committee to investigate the advisability of NAIC working with National Commission on Safety Education. This group will report at the December meeting.

It was also decided that during the roll call of NAIC meetings the response will be limited to the commissioner and the names of all the members of each department no longer will be given. These will be printed in the proceedings, however. Another speed-up of the conventions will be accomplished by discontinuing the practice of having a majority of committee members sign reports before they are distributed. From now on, the executive committee decided, it will be sufficient to have the chairman or the acting chairman or presiding officer sign as well as one other member of the committee.

Aetna Casualty on Cal. Bond

LOS ANGELES—Winston Bros. Co. of Monrovia, Cal., has been awarded a contract for part of the Los Angeles river improvement project by the U. S. engineers at a price of \$2,491,985. Aetna Casualty is surety on the work.

PR Talk for St. Louis Board

M. L. Brink, public relations counsel, will talk on a public relations program for stock agents in St. Louis at the Nov. 7 meeting of Insurance Board of St. Louis.

Fireman's Fund Cuts Auto Rates in Neb. and Ind.

Fireman's Fund group has reduced automobile BI and PDL rates in Nebraska and Indiana. The reduction in Nebraska is approximately 10% and applies to all private passenger drivers. In Indiana the new rates are a reduction of from 10% to 20% to all classes of auto casualty except non-owned public autos and garage liability.

Citizens Mutual Offers "Safety Merit" Discounts

Citizens Mutual of Howell, Mich., brought out a revised automobile policy which includes "safety merit" discounts. Among the features of the policy are broadening of drive-other-car protection to include comprehensive and collision coverage of a borrowed car and covering all members of an insured's family. The medical payments provision has been broadened to include the insured and his family while they are pedestrians, and including death benefits. Previously the pedestrian feature was an optional extra.

The merit discounts are given under four classes.

1. Use of approved safety belts—20% reduction in medical payments.
2. Driver education—10% of the BI, PDL and PHD.
3. No-accident drivers or 12 months—10% of the collision premium.
4. Non-users of alcoholic beverages—10% of BI, PDL and PHD premiums.

Travelers Makes 13 Field Appointments

Travelers has made several field appointments in casualty, fidelity and surety and fire and marine lines.

Charles G. Snow, who has been field supervisor of fire and marine at Dallas, has been appointed assistant manager of those lines at Atlanta. Melvin W. Carle, assistant manager, casualty, fidelity and surety lines, has transferred to Phoenix in the same capacity. He will also handle fire and marine.

Edward A. Shiver, field supervisor of casualty, fidelity and surety at Atlanta, transfers to Richmond, Va.

Ten field supervisors named are: Casualty, Fidelity and Surety, Cyrus G. Flanders Jr., at Hartford; Neil A. Sherman at Worcester, Mass.; N. John Fink at Newark, and John S. Irwin at Los Angeles. Also, fidelity and surety, William R. Schermerhorn at Albany, David E. Jones at Kansas City, and David C. Baker at St. Louis. And, fire and marine, William C. Colcord at Oklahoma City, Henry V. Simers at John street, New York City, and Elwood W. Virtue at Philadelphia.

Headquarters of Alan G. Beattie, field supervisor of casualty, fidelity and surety and fire and marine lines, has been changed from Winnipeg to Calgary, Canada.

Ky. Conferment Nov. 22

Kentucky CPCU will sponsor an all-industry luncheon on Nov. 22. CPCU designations will be conferred upon Kenneth Roberdeau, Glens Falls, and Francis Wehner, General of Seattle, by George G. Gibson Jr. The principal address will be given by George V. Whitford, vice-president of Fire Association. The luncheon will occur between the sessions of Kentucky Assn. of Insurance Agents' annual convention.

The formal opening of Home's new headquarters for northern New Jersey, East Orange, was held at that office. Kenneth E. Black, president, headed the group of officials who were hosts to a large gathering of New Jersey representatives of the company and civic and financial figures.

The new building is a two story and basement fireproof, air conditioned structure of colonial Williamsburg architecture and contains approximately 30,000 square feet of space. The front facade is enhanced by large colonial columns and an added feature is an Independence Hall-type tower. The front is traditionally landscaped, and the rear area provides ample parking facilities.



Mutuals Ponder Flood, Atom Energy Insurance at Parley

At an annual meeting in Chicago this week American Mutual Alliance and affiliated groups tussled with what they called the "four serious challenges to the insurance business today." They are: Flood insurance, insurance for peaceful uses of atomic energy, demands for broadened A&H coverage, and demands for a better answer to the problem of the automobile accident.

S. Bruce Black, president of Liberty Mutual and of the Alliance, on Monday presided at the first session of the three-day meeting, which reported a registration of nearly 175 men.

Mr. Black pointed out that insurance protection must be available if peaceful use of atomic power is to develop, and that if private insurance in reasonable quantity is not available government will provide the necessary financial protection, and this may be an additional argument for government monopoly in the entire atomic field.

At a panel discussion on atomic energy insurance Tuesday, it was asserted that no one is qualified to say definitely how much insurance the operator of an atomic reactor will want or need but it is hoped that a \$25 million liability capacity or a little more will be enough.

The panel explained that the size of the reactor and the probability of loss would go into determination of insurance needs and expressed the feeling that liability requirement guesses of \$50 to \$100 million were far too high. The panel expressed certainty that atomic energy hazards are insurable because of what it calls "almost fool-proof controls," in the operation of atomic reactors.

At business meetings Monday afternoon, affiliated groups of the Alliance elected 1956 officers. National Assn. of Mutual Casualty Companies named as president John L. Train, president of Utica Mutual, and as vice-president A. F. Allen, president of Texas Employers'. Mr. Train succeeds Carl N. Jacobs, president of Hardware Mutual Casualty.

National Assn. of Automotive Mutual Insurance Companies elected as president John L. Kitch, president of Security Mutual Casualty, succeeding H. D. Durham, president of Iowa National Mutual, and as vice-president Charles E. Hodges, president of American Mutual Liability. Other officers will be appointed.

Concerning flood insurance, Mr. Black said, "We do not know how general the demand for flood insurance really is, but the elected representatives of both political parties in the areas affected are urging that some form of flood insurance be made available. There is no easy answer to the problem of flood insurance, but we may be sure that if the public decides it wants flood insurance it will have it. If we cannot meet the demand government will, and once the government is in the field it is likely to stay there. Assertions of the insurance industry that flood losses are uninsurable will not prevent flood insurance from being made available by the federal government if Congress is persuaded there is a general demand for it."

Mr. Black suggested the importance of continuing effort to lessen the areas in the medical and hospitalization field where reasonable insurance protection

is not available—especially against major medical costs not included in the usual limited coverages, and for loss of income by those who are disabled permanently for long periods.

In connection with automobile insurance, Mr. Black pointed out that twice as many people are killed or injured by automobiles as are in industry, and yet the methods of dealing with persons injured by automobiles are comparable with the methods of dealing with the industrially injured before 1911. He contended that a system similar to workmen's compensation insurance for automobile victims is not the proper answer. "I do believe," he said, "that the costs and wastes of litigation, the inequities in compensation paid, the inability of our court system to handle the mountains of litigation, all the delays attendant upon court congestion, and what is to me the tragic failure of the present system—the hindrance to medical care and rehabilitation of the injured pending adjudication of claims—must inevitably sooner or later result in such public dissatisfaction that radical changes in our system of adjudicating and compensating for traffic injuries will evolve."

At a panel discussion on automobile insurance Monday, Harry C. Foster, research underwriter for Utica Mutual, labeled uninsured motorists coverage as "sinister and fundamentally inequitable." He said that UM coverage is an unexplored jungle and an entirely new kind of insurance. We have little knowledge of the hobgoblins which may lurk in wait for us in this jungle," he said.

With reference to UM coverage in New York, Mr. Foster said it leaves unprotected a large segment of pedestrians and non-resident motorists injured by uninsured New York motorists. He said equal responsibility is the equitable solution to the problem.

Also on the auto insurance panel were Herman L. Toser, vice-president of Hardware Mutuals, who discussed marketing trends, and Harold J. Ginsburgh, vice-president of American Mutual Liability, who explored loss and expense trends.

Wade O. Martin, Louisiana secretary of state and insurance commissioner, in a talk Monday analyzed the current controversy as to what jurisdiction the federal trade commission has in the field of regulation of insurance companies. Insurance companies are regulated by the states, but recently the FTC issued complaints against a number of A&H companies on the charge that their advertising is misleading. Mr. Martin contended it is obvious that the FTC has some jurisdiction, as when insurance companies send advertising material through the mails to persons in states where the companies are not licensed to do business. He urged that a line be drawn making clear what jurisdiction the states and the commission have, and urged support of the program of the National Assn. of Insurance Commissioners in seeking a conference with FTC. He also urged support of an advertising code now being drafted by the insurance commissioners.

Edward A. Foote, Washington, D.C., first assistant in the anti-trust division of the U.S. Justice Department, discussed mortgage insurance tie-ins and related anti-trust problems.

The three members of the panel which discussed atomic energy insurance are members of a 10-man insurance study group working with the

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

liability is insured in U. S. Aviation Underwriters, and whose hull cover is partially self-insured with the remainder in London, lost a DC-4 liner in October when it crashed into a peak in Wyoming. That crash took the lives of 66 and was the worst commercial air line crash in the history of U. S. aviation.

DC-6B hulls cost about \$1½ million. There is a \$10,000 tort death limit in Colorado.

Lyman Winter New Mo. President

KANSAS CITY—Missouri Assn. of Insurance Agents, its annual meeting marked by friction between big city elements and big city vs outstate elements, elected Lyman L. Winter of Jefferson City president to succeed Joe Jackson Jr. of Maryville. Mr. Jackson becomes chairman of the executive committee. This puts a so-called small town agent at the helm again, in what some observers considered a surprise move.

The other officers are: First vice-president, John Henschke of St. Louis; second vice-president, Vernon Griffith Jr. of Kansas City; third vice-president, Pat Whitaker of St. Joseph; secretary-treasurer, Robert H. Young, Jefferson City, and state national director, Robert A. Braddock, Kansas City.

North America Expands at Cincinnati

The Cincinnati office of the North America companies at 1525 Carew Tower has been expanded to include service facilities to agents of Indemnity of North America. Those from the home office who attended the opening were Herbert P. Stellwagen, James M. Crawford, Reginald S. Robins, Thomas W. Dickson, Marshall I. Groff, and Norman Holtzer, all of the indemnity company, and Richard G. Osgood, Francis A. Lewis, and Robert Wilson of North America.

Lewis P. Richey has been named manager of the new office but will remain at Columbus, where he has been located for many years. Kenneth Desch will serve as associate manager in Cincinnati. Walter Millar is manager of North America and Philadelphia F&M.

Receivership for Inland Empire

A receivership order for Inland Empire has been entered at Boise, subject to a hearing Nov. 9. Commissioner Leo O'Connell of Idaho has been attempting to rehabilitate the company, but has found the job impossible. Inland Empire, whose owner is the defunct Trans-Pacific of Phoenix, is the reinsurer of the late Louisville F&M, and its collapse has been made unusual by reason of the provocative letters sent out by its officials and by the sudden changes of its home office address. Stewart Hopps has frequently been mentioned as being interested in the fortunes of Inland Empire, but he has denied owning any of its stock.

atomic energy commission. They are A. L. Papenfuss, vice-president of Employers Mutuals; M. B. Weber, vice-president of Lumbermens Mutual Casualty, and H. W. Yount, vice-president of Liberty Mutual.

Justin T. McCarthy, Illinois insurance director, was scheduled to give the welcoming address to the meeting but did not appear.

Gary H. Kamper, president of Federation of Mutual Fire Companies, presided at Tuesday afternoon's session. Topics and speakers included: "Our People, Papers and Public," T. A. Duckworth, personnel director, Employers Mutuals, and M. S. Hughey, 2nd vice-president of Lumbermens Mutual Casualty; "Reinsurance Under Present World Conditions," Mr. John Kitch of Security Mutual Casualty, and "Package Policies for Homeowners," F. Keen Young, executive vice-president of Federated Mutual Implement & Hardware.

Following Mr. Young, there was a panel discussion, and participants were: J. P. Gibson, president of Ameri-

can Mutual Reinsurance; D. T. Hawkins, assistant manager of Mutual Loss Research Bureau, Chicago, and T. L. Osborn Jr., vice-president of American Manufacturers Mutual.

An executive session Wednesday morning was open only to representatives of member companies of alliance. Reports were given by Mr. Black, alliance president; Newell R. Johnson, alliance general manager, and the treasurer's report by H. G. Kemper, president of Lumbermens Mutual Casualty.

Conn. General Opens Chicago Broker Agency

Connecticut General Life has opened a brokerage agency in the Insurance Exchange building, 175 West Jackson boulevard, Chicago, with Edward N. Cheek Jr. as manager.

The agency serves independent insurance brokers in providing all forms of life, A&H and group. Mr. Cheek, who joined the company at New York City in 1951, has been head of the brokerage agency in New Orleans.



Representing Elgin National Watch of Elgin, Ill., at the insurance buyers meeting in Chicago were John M. Biggins and Richard Pridoux, pictured with R. K. Agnew of Marsh & McLennan, Chicago.

Our Agency Relations Go Way Back—

Over 100 years ago, when the Hanover started business, the thought prevailed that the Insurance business could be conducted without agents.

We, however, did not share this view for we were one of the first major Companies to appoint agents.

We are proud of our loyal support of the American Agency System and shall continue to encourage the perpetuity of that system, which has enabled us to achieve a leading position in the Insurance field.



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FIRE INSURANCE CO.**

OF NEW YORK
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**THE FULTON
FIRE INSURANCE CO.**

NEW YORK

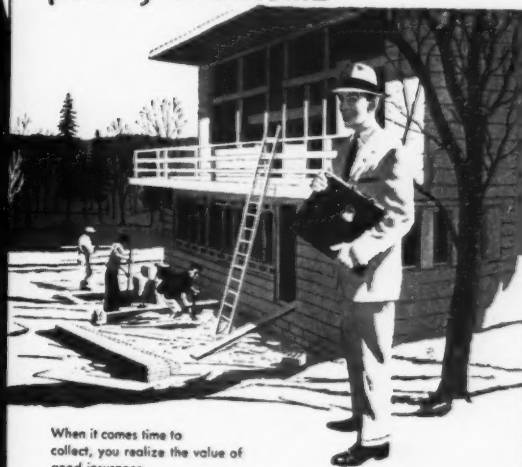


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WESTERN DEPARTMENT
Insurance Exchange Bldg., Chicago 90, Ill.
PACIFIC COAST DEPARTMENT
340 Pine Street, San Francisco 4, Calif.

HOW
THE
BIG
PAY-OUT
HELPS
CONVINCE
YOUR
PROSPECTS

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT

the bill came to \$2,042,803,288
(Over two billion dollars)
paid by THE HOME



When it comes time to collect, you realize the value of good insurance.

Many thousands of people—homeowners, businessmen, farmers—have made this discovery about The Home Insurance Company. Through the burning of cities, windstorms and other disasters, The Home has paid—big losses and small—promptly and fairly.

The value of the services of The Home can be measured by the size of the bill—over two billion dollars paid out in losses since 1853.

Equally important have been the human, devoted and skilled services of the agents of The Home. Without them, this record could never have been attained.

For your protection, it's wise to see your own Home agent.

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ORGANIZED 1853



Insurance Company

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The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

The Home Insurance Company's new advertisement dramatically illustrates the point about insurance that most interests the policyholder—prompt and fair claim settlement. One of the most powerful sales factors you have working for you is the prospect's knowledge that you render the same skilled service after a loss as you do in the original selling.

This advertisement appears in color in:

Business Week—Nov. 12

Newsweek—Nov. 14

Time—Nov. 14

U. S. News & World

Report—Nov. 25

Nation's Business—Nov.

Town Journal—Nov.

Better Homes and

Gardens—Dec.

American Home—Dec.

WHAT'S *Your* ANSWER TO THIS OBJECTION?

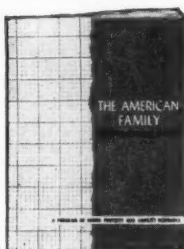
"I spread
my business
around!"



Agents attempting to sell complete accounts of insurance meet this objection many times. Unless they have the *right answer* . . . and the *right plan* . . . they lose the sale!

American Agents successfully counter this objection and win sales with The American Family Protection Plan . . . a Plan that takes responsibility for *all* of a client's insurance and produces additional income for the agent.

Once the prospect sees for himself the dangerous "holes" in piecemeal coverage—once he sees that "spreading business around" means spreading responsibility for *his* protection . . . objections become so many stepping stones to the sale.



To help *sell* their services, American Agents *tell* their story with dramatic pictorial aids and show-how charts in The American Family Protection Plan booklet following a consistent campaign of tested sales promotion material.

If you want free details on the business-building American Family Protection Plan, mail the coupon below now!

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